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FOOD FOR AMERICA, 1980—

THE SUPPLY OF ANIMAL PROTEINS. THE AGRICULTURAL COLLEGES

It is the duty of every man to endeavor that something may be added by his industry to the hereditary aggregate of knowledge and happiness. To add much can indeed be the lot of few, but to add something, however little, every one may hope.

Samuel Johnson, *The Rambler,* No. 129, June 11, 1751.

WHEN Charles Wood Davis, of Sedgwick County, Kansas, in 1892 published privately at Peotone in that State his book on *Food Production and Consumption,* little attention was given to it in this country. America was well and abundantly fed, and seemed to think that its great business of raising grain on western prairies and fattening meat on farms of the Middle West would never end. Many Americans knew well the position which our foodstuffs occupied in world trade. It was known that population was rapidly growing and one would think that every person of those days, who walked down La Salle Street in Chicago and saw the great Board of Trade Building at the head of the street, would have known that the plenty of the latter half of the nineteenth century was but a happy isle between two great oceans of want—the oceans of want past and want future. No such idea seemed, however, to trouble American life. We enjoyed the conditions of plenty and the peace which those conditions brought, until our fears were suddenly aroused when Sir William Crooke made Mr. Davis's book the subject of his Presidential Address to the British Association for the Advancement of Science at its Bristol meeting in 1898. Then for the first time it was realized that

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the subject of the food supply was causing anxiety abroad. Prices had been rising and disorders had occurred in Germany which is not, except in some of its river valleys, a very fertile country. The first Great War came in 1914.

Until very recently America has always had new land to farm and a population which our agriculture could easily supply. We have now no unoccupied new land while our population is large and rapidly growing. In 1951, therefore, we see forming, for the American people, a future marked by conditions like those which prevailed in the times of scarcity and want which Europe used to know so well in past centuries and under which it now suffers. Even England and France do not escape. France, notwithstanding the intelligence, industry and thrift of its people, has, Sir John Pollock says, " touched the point of famine " since 1940, to which he adds that in Britain " we never went hungry," [1]—a strange boast for a people so recently the richest in the world and now willing to receive the help of friends in food and money! M. Georges Duhamel, a distinguished member of the French Academy, supplements Sir John Pollock's statement by saying, in regard to England, that a people which suffers long from shortage of food soon ceases to produce men of genius.[2]

Science is not magic. The quantity of food which it is possible to produce is limited and if the population in America continue to grow, there must come a time when the supply of food will be inadequate, when there will be a slowing of growth—mental and physical—and when very little will be heard of progress.

There is, perhaps, now in sight a potential food supply at our present rate of use for 175 million people, and if we expect to reach that figure in about thirty years—about, or not long after, 1980—we may well ask ourselves what the future of our descendants will be, should the growth of population be unchecked. Nothing but a public opinion which shall regard all large families as evidence of disregard for the general welfare can save the American people from the miseries by which nature

[1] " France on Her Own ", *Quarterly Review*, October 1946, pp. 401, 402.

[2] Paris *Figaro*, August 12, 1949.

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imposes its inevitable limit upon excessive numbers. Whatever may be the future population, however, our numbers are already so great that every effort must now be made to increase our food supply. If we keep our numbers near their present figure, and make the most of all our opportunities for food production, we have every reason to look forward to a life of abundance for ourselves and for our descendants.

When Mount Hope, in 1910, began its work at Williamstown, Massachusetts, its attention was therefore given entirely to the development of methods for increasing the production of food. The greatest possibilities of such increase, it seemed to us, lay in seed and plant improvement and in raising the productive qualities of our races of domestic animals. We gave our attention particularly to dairy cattle and egg-laying poultry, although beef cattle, swine and sheep were not entirely overlooked.

Grain is still, however, the most important food and it would go hard with many people should the supply of grain run short. In the days when men lived on grains, with such relishes as could be had, and bread, or whatever cereal preparations took its place, was the staff of life, nothing was known of calories, vitamins and the importance of animal proteins in the diet, so the decay of old age began before young people had left their 'teens, and when the years came which should have brought the prime of life, they found the processes of old age already far advanced. It is our modern diet, providing all needed elements, including vitamins and animal proteins, which has gone far toward doubling our expectation of life. If now our food supplies and our use of animal proteins should be reduced, what will be the effect upon human efficiency, upon progress and our expectation of life? [3] We would not like to think of the future which awaits our descendants as a time of constantly decreasing physical strength and mental power.[4]

[3] "The Amino Acids", by Sidney W. Fox, *Scientific Monthly*, February 1947, p. 103.

[4] "Food in England", by E. Parmalee Prentice, Quarterly Magazine of *Agricultural History*, April 1950.

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Such considerations as these give great importance to the subject, which will be discussed later in connection with the work of the agricultural colleges, of the methods which must be employed to feed and keep our useful domestic animals in times when there is scarcity of food for the human race.

Food for Live Stock?

The future of domestic live stock, however, is not free from difficulty, since in times when food for mankind is insufficient, it has never been possible to spare, for animals, food that men could eat. Dairy cattle can live on pasture, hay and green silage. Poultry can use tankage from packing houses, but neither cattle nor poultry can produce well unless grain be given to them. The question therefore is whether the productivity of our dairy cattle, egg-laying poultry and our meat animals can be so increased, and the amount of food required to produce a quart of milk, a dozen eggs or a pound of meat so reduced that the milk, eggs and meat will more than return to mankind the food value of the grains they cost. It is possible that horse chestnuts can be produced in quantity for stock feed [5] without reducing the land used for raising human food. Acorns are also of great value. Every addition, indeed, to the sources of food for our domestic animals indirectly adds to or varies the bread diet of mankind and for this reason is important and deserves attention.

Seed Improvement

The increase of yield from hybrid corn has been during recent years the most conspicuous instance of what has been called seed improvement. The story is told again in an article by Professor Paul C. Mangelsdorf, entitled " Hybrid Corn ", and is contained in the *Scientific American* for August 1951 (pp. 39-47). The result of crossing is nevertheless so often a reduction of prolificacy or "vigor" that the success which has been accomplished is clearly a case of selection—only a few of many hybrids being good—and this is true of other crosses besides those made be-

[5] *Tree Crops: A Permanent Agriculture,* by J. Russell Smith (New York, 1950), pp. 291-292.

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tween different varieties of corn. Hybridization of seed corn is the result of a very careful preparation of the varieties crossed, but if there be a general rule where chance is so important, it would be that in most cases the better the varieties originally were which enter into the cross, the better will be the hybrid. It seems then that the best results would come by continued breeding—the hybrid success being a short cut which stops where it began. The work done at Mount Hope—hereafter described—has accomplished so much more by family breeding than the short cut of hybridization has done with corn that, in reading the story of hybridization as given in the *Scientific American,* one is surprised that plant breeders have not made more use of methods resulting in constantly increasing yields along with the method that provides the uniformity required by harvesting machines. The trouble with the latter method of breeding is that it limits the possibilities of progress while seed improvement has no end as yet discovered.

There have also been new and better varieties of grain and of vegetables produced by experiment stations, private growers, seedsmen and amateurs. There is no lack of new suggestions, as the Department of Agriculture demonstrated in 1936, and of possibilities of plant improvement, but results are not yet large as compared with the rising need, while on the other hand all American agriculture is burdened by the wrong teaching of the colleges on the subject of animal industry, breeding and fancy points.

Mago and the Score Card

What this burden is, Mr. James Dickson suggested, when he said in *The Farmer's Magazine,* of London, England, for October 1835, that "the useful properties (of cattle) originate in the improvement of the external characters"—an idea that is so far from modern notions that we wonder where it came from.

In fact, its history is very ancient, since its source is a book on agriculture written by a Carthaginian, Mago, in the Punic language, and translated into Latin by order of the Roman Senate. Both the book and the translation are lost, such knowledge as we have of them being due to quotations in Latin books,

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chiefly those of Varro, Columello and Palladius. These quotations were copied by writers, one after the other, for many centuries and have become commonplaces of agricultural literature. They were in recent times the basis of Mr. Dickson's statement —and they are the principle on which the present-day score card is founded—that the useful qualities of cattle are revealed by their external characters.

To give a few examples, out of the many that might be shown, a copy of passages from the Guernsey score card, as given by Mr. Charles L. Hill in his book on *The Guernsey Breed*,[6] is here presented and in a parallel column are quotations from the ancient Latin writers mentioned.

THE DAIRY COW

horns slightly incurved	p. 57 *camuris cornibus* [7]
forehead long	p. 57 alta fronte [8]
long thin tail with good switch	p. 57 caudis maximis [8] caudis longissimis et setosis pilosisque [9] et gradiens ima verrit vestigia cauda [10] caudam profusam usque ad calces [11]
barrel round and deep at flank well ribbed	p. 56 corpore amplo, bene costatos [11] uteri capacis et magni [12]
full bright eye	p. 57 oculis . . . grandibus [8] oculis magnis [11]
legs short, hoofs small	p. 57 ungulis brevibus et cruribus parvis [8]
cheeks small	p. 56 compressis malis [11]

[6] Waterloo, Iowa, 1917.

[7] Virgil, *Geor.*, Bk. III, 1, 55.

[8] Palladius, Lib. IV, Martius, cap. XI.

[9] Columella, Lib. VI, cap. I; see Palladius, Lib. IV, cap. XI.

[10] Virgil, *Geor.*, Bk. III, 1, 59.

[11] Varro, Lib. II, cap. V.

[12] Palladius, Lib. IV, cap. XI.

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This then is the history of the modern score card, from its origin in Mago's book down to about 1943. Neither Mr. Dickson, nor Mr. Hill, nor the authors of the score card, nor many of those who since Latin times have copied and re-copied these statements of type, ever knew where they came from. They did not even know that in Mago's time the food for cattle was so limited in amount that cattle were few and that to Mago the ox was a draught animal. The use of cattle for beef did not begin until many centuries later but when it came, Mago's rules were applied to beef cattle. The dairy industry—which came with the refrigeration and rapid transportation of milk, with sterilization of utensils and sanitation—is a product of the last hundred years and has inherited from ancient times a method of judging cattle which is nearly as good for dairy purposes as it was originally for draught animals and later for beef cattle. The score card published by The Purebred Dairy Cattle Association in 1943 is a new document, vast in proportions, containing many of the old phrases, so wordy, fanciful and vague that it is used little, if at all, in the ring. The actual practice of judges, therefore, continues to be personal preference as to looks, the decision being expressed in the old familiar terms. American agricultural colleges teach this method of judging, American professors of animal industry even acting as judges and training judging teams of their students for participation in intercollegiate competition at cattle exhibitions.

Judging by external appearance extends also to poultry and at the great Boston show of January 1951, an annual event for 103 years, there were perhaps 6,000 entries and $50,000 distributed as prize money. The New York show may have been even larger, and there were doubtless other shows in many cities, all birds being judged for their external characters by the rules of the *Standard of Perfection.*

How it can ever be possible to teach the slow and laborious rules of the science of heredity to students brought up in type competitions where they see prizes of considerable sums awarded, and high prices paid for winning animals, is one of the great problems of our day. The colleges themselves seem to be unwilling to attempt any change, and there will probably be none

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made until a strong public sentiment shall arise to abolish forever the sacrifice of the food of the nation to private speculation and public sport.

The case then is just this:

The agricultural colleges—and the United States Department of Agriculture—have been trifling with a great subject. It is the lack of seriousness on their part that has stood in the way of the much-needed improvement of our different races of useful domestic animals, and has now brought the future food supply of the American people into a situation of doubt and peril.

These colleges and the Department have set up false values in their work, teaching their students and the public to "judge" animals by fancy points—" web, fluff and quills of feathers," with other like details—and have encouraged a spirit of speculation and gambling in prizes and prices which is inconsistent with the careful development of the inheritance of useful qualities in the animals so valued—and

This neglect of the public interest has long continued and still exists.

These facts should constantly be borne in mind as we pass to a consideration of the science of heredity which teaches breeding methods such as act upon what—in animals bred as the Mount Hope poultry is bred—may be called the thread of inheritance passing from one generation of these animals to another.

There are great possibilities of increased production of food if modern knowledge of breeding is consistently applied to the development of the live stock upon which the welfare of our people depends.

BREEDING POULTRY FOR EGG PRODUCTION

Under this title it is intended to deal with the whole subject of breeding for food production all the various races of domestic animals kept for that purpose. Poultry is taken as an illustration because its rapid rate of reproduction and the large number of birds which can be used in breeding work make conspicuous some essential principles not commonly observed by practical breeders, but which are capable of such use as brings greater results than have ever otherwise been attained.

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The Mount Hope Poultry Flock

Mount Hope established its department of egg-laying poultry in 1918-19 with sons and daughters of the following named birds:

May Queen, 288 eggs. Harper-Adams Contest, 1913-14.
Owned by Mr. Henry Sutton, an English poultryman.

Lady Eglantine, 314 eggs. North American Contest, Newark, Delaware, 1914-15.
Owned by Eglantine Farm, Greensborough, Maryland.

Lady Storrs, 287 eggs. Storrs Contest, 1915-16.
Owned by the Morris Farm at Bridgeport, Connecticut.

Lady Victory, 304 eggs. Kansas Contest, 1916-17.
Owned by Pennsylvania Poultry Farm, Lancaster, Pennsylvania.

Keystone Maid, 306 eggs. Kansas Contest, 1917-18.
Also owned by Pennsylvania Poultry Farm.

No. 251, 311 eggs. Washington Contest, 1917-18.
Owned by Mr. Douglas Tancred, Kent, Washington.

In 1919 we considered our flock complete, intending no further purchases, but in 1922 a hen in the State of Washington made a new high record, so we bought one of her sons, and at the same time, from breeders in Washington and New York, a few other birds from very high-producing dams. Since these purchases no additions to our flock have been made, and it is our impression that all this 1922 stock has been completely eliminated from our flock in the subsequent breeding operations.

All the birds, from which the Mount Hope flock came, were known as White Leghorns—the name, however, having no reference to descent from individually identified ancestry but being given from appearances, as was the case with cattle before the establishment of breed registries.[13]

[13] This in substance was the statement of Mr. James Dickson in *The Farmer's Magazine* of London, October 1835, p. 248, and what was true of cattle was true also of all other domestic animals.

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Of this flock, so constituted, we said at the time that we believed that no other flock had ever been made with such painstaking care. In the Mount Hope yard alone, so far as we know, were representatives from all the great record-making birds that had ever existed.

It is a common observation that offspring of great ancestors seem never to inherit the characters which made their ancestors great. We could not expect, therefore, from the poultry flock which we had assembled at Mount Hope, an average egg production that would approach the individual records of their famous ancestors, but it would seem reasonable to look for an average production above that of most other flocks. Nevertheless, the new Mount Hope flock produced about 160 small eggs per hen per year from that part of the flock which survived to complete a year's record—a good average for those times but not good when thought of in connection with the demonstrated abilities of egg-laying birds. The high-producing dams of our birds had not transmitted to their descendants their egg-laying ability, and it is at this point that we come upon a principle of life which is important to all breeders of domestic live stock—that nature, which seems at times so ruthless in its changes, has nevertheless such regard for the permanency of races that peculiar individual characteristics, such as change in organic function, are often not transmitted to descendants at all, or, when they do pass, appear in the descendants in reduced degree or in qualified form.

The problem which was thus presented was not an easy one. Poultry can be much more easily and rapidly bred than can cattle, whose reproduction is so slow that the shortness of man's life and the inadequacy of the numbers of breeding stock available are controlling considerations. In breeding dairy cattle, for example, a breeder would be very fortunate who could carry his work through five or six generations, and it would practically be impossible that he could ever use the number of animals necessary to permit such selection as would bring significant results. The best a breeder can do, therefore, is to develop a system by which he can always have a working knowledge of the breeding values of sires and dams at his disposal and can make

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good practical use of these animals when found. This is what Mount Hope did in its work with dairy cattle, of which an account has elsewhere been given.[14]

The alternative system is of a wholly different character from the first, since it is not temporizing in its nature, but seeks—in circumstances where the limitations of human life and smallness of numbers among the animals with which the work is carried on do not immediately apply—to use such methods as will give the full results of which breeding is capable. These are methods which biologists use with experimental animals of rapid reproduction and short life, of which an extreme example can be found in drosophila flies. Mice, guinea pigs and rabbits are sometimes used although work with such animals requires more time and has an appreciable limit to numbers.

THE ONLY TIME IN THE HISTORY OF BREEDING . . . !

A step beyond the mice and other strictly experimental animals named brings us to some of our domestic live stock of rapid reproduction and great value—poultry, swine and sheep.

There is also a possibility that there may be a method by which the time required to breed high-producing dairy cattle may be considerably shortened. This is suggested by the fact that our best-producing cows at Mount Hope seem to be those of thoroughly good dairy stock which as calves had shown the most thrifty bodily metabolism as measured by the gain in weight per pound of feed supplied during the first twelve months of their lives. We call these gains in weight their Calf Efficiency Figures, and the same method may doubtless be applied in selecting beef stock.

It is only a very efficient bodily mechanism which enables a cow to turn the feed—hay, grain, silage or pasture—supplied to her, with water, into fifty or a hundred or more pounds of milk per day, and the animals which can do this seem to be those which had best shown the ability as calves to turn food into gain in weight.

At this point—with sheep, swine and poultry as well as with

[14] "Mount Hope and Its Dairy Cattle", by E. Parmalee Prentice, Quarterly Magazine of *Agricultural History*, October 1946, p. 193.

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cattle—we meet new problems requiring new methods for their solution, beyond those which biologists use with experimental animals. This was the character of the work which Mount Hope undertook with its poultry—the only instance in the history of breeding useful domestic animals when what may be called a laboratory method has ever been employed for such a long period of time to develop economic value until the true efficiency of the method has actually appeared. The world needs great increase in the supply of food. Is it possible to double or treble the productive qualities of our egg-laying poultry?

It is the purpose of the breeder so to organize the inheritance which his animals pass from one generation to another, as to eliminate all inheritances that are undesirable and to increase all that add to the practical usefulness of our animals. We seek therefore in making matings to produce as many large families of full brothers and sisters as we can—and then we judge the inheritance which parents actually passed to their offspring by the average performance of each family. Complete records of performance—date of hatch, body weight, egg weight, mortality, and so on—are kept for every individual of each of these families and whenever the average of any family falls below the approved level, the whole family is discarded. Selection of breeders is also made by family records—the best individuals in the best families being used. Of such breeding Dr. Hubert D. Goodale well said in the Mount Hope Golden Egg pamphlet of 1950:

> Simple as is this plan, it is not easily carried out on a scale that insures progress. Small-scale operations are ineffective because progress depends on the discovery of families better than any previously discovered. It also happens that full sisters differ, often to a marked degree, in productive ability. Large families favor the appearance of those rare individuals which are better than the best, simply because they can not occur in small families as often as in the large families as a matter of mathematical law. Large families are therefore wanted. Since most parents produce families inferior to their own family (brothers and sisters), it is easily seen that the search—for such it is—for better and better families requires operations on a considerable scale if it is to be successful.

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Raising Egg Production

Animal life is so much affected by the alternation of night and day that there is a tendency for a hen, which has laid at a particular hour on one day, to follow by laying at about the same hour the next day. Breeding for increased numbers of eggs is breeding to reduce the interval between layings, and as soon as this interval becomes less than twenty-four hours, the rhythm of laying is interrupted.

For this reason we suggested in our Golden Egg pamphlet of 1950 that "as numbers approach a figure near 365 eggs per year, it may be simpler to breed for a larger egg, before asking the hen to lay more than one egg a day" (p. 16).

At the time we made this suggestion we had on our books the case of Ibrail, J734—a bird which laid 300 eggs, weighing on the average 76 grams each, and making a total weight of 50 pounds in a year. Mount Hope is breeding for increased supply of human food, and 50 pounds is the weight of 400 Grade A, 2-ounce eggs—far and away the highest individual egg production ever known. Each one of Ibrail's eggs weighed 2/7 of an ounce less than 3 ounces. Eggs of 3-ounce weight seem easily within reach, and, were the number raised to 333-4, the total weight would be 62½ pounds—as much as 500 Grade A, 2-ounce eggs.

Gradiska, G843, in four years, five months and eighteen days, laid 1,089 eggs, weighing on the average 2.274 ounces, total 154.8 pounds, equal to 1,348.3 Grade A, 2-ounce eggs.

We have our choice either of breeding for increased number of eggs such as Ibrail's, or of breeding for increased weight of smaller eggs. Our present practice is to breed for one of these two objectives as circumstances dictate. When numbers of eggs already are high, we breed for weight.

In dealing with all these subjects we are on new ground and our work is necessarily exploratory. The average weight of the eggs laid in a year by a bird in the Mount Hope flock has nearly doubled since 1920 and is rising. It seems that there must be a great change going on in the body and organs of all our birds—possibly the beginning of a development which will long continue. If so, it may well be that in order to keep on with the

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improvement of our races of domestic animals, the shortness of man's life will make it necessary that the efforts of individual breeders of poultry—as well as the work of individual breeders of dairy cattle—be supplemented by institutions like our agricultural colleges and experiment stations that are not subject to this limitation.

THIRTY YEARS OF CONTINUOUS WORK WITH ONE UNVARYING PURPOSE

This then is the history of the Mount Hope poultry flock. Their origin was in White Leghorns, and they have been known as Leghorns from the beginning, but since they now differ from all other breeds of egg-laying poultry in their inheritance of the most important characteristic that egg-laying poultry can possess, we think the time has come when they should have a distinctive name.

For thirty years they have been segregated from all other poultry and inter-bred for the increase of their productive inheritance. During this time no attention whatever has been given to their appearance. We do not know how judges of exhibition poultry, familiar with the *Standard of Perfection*, would regard the web, fluff and quills of their feathers, or their other properties, qualifications or disqualifications, which, according to the *Standard*, White Leghorns should possess or should not possess. We do know, however, that for many years all these considerations have been disregarded and that during this time there has been practiced the widest possible process of elimination from their race of undesirable characteristics which all other egg-laying poultry have, and rigid selection of breeding stock for intensification of desirable qualities to a degree which belongs to no other egg-laying poultry. Doubtless in a segregated flock, constantly subject to severe culling and bred to develop all bodily organs and functions responding to the purpose for which the flock is kept, there might well be a certain appearance which characterizes birds distinguished by their high egg-laying abilities. If so, this is the very type which marks the Mount Hope birds, for it is the type which they have themselves developed in the course of their development of high egg pro-

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duction. They should, however, no longer be called Leghorns, except perhaps as descriptive of their origin, and they should have a name more truly descriptive of their chief characteristics. We therefore call them Mount Hope Cornucopias.

Mount Hope seeks to improve the economic qualities of all the various races of domestic live stock on American farms, using egg-laying poultry as the medium for its investigation of the methods by which this improvement can be made.

We use the progeny test of egg production as the primary method of selecting breeding stock, knowing, however, that when great alteration is made in any one organ or function of the bird's body, a corresponding change is required in many or all the other bodily organs and functions. What organs are so affected, however, and how much the change should be, we do not know, but we keep statistics on rate of mortality and causes of death, rate of growth, early maturity, weight at different times, and so on, and when the average of any family of full brothers and sisters is below our standard, the fact is accepted as evidence that the family inheritance fails in some respect to meet the requirements, and for this reason the whole family is discarded.

In wild flocks and herds, moreover, nature does not so separate the strong and the weak as to prevent them from breeding together, and the consequence is that any advance that may be achieved by an exceptional individual is soon lost, being shared with ordinary or inferior animals in the group. Nature moves by averages and an average can not easily be changed.

When we began our breeding work at Mount Hope, we segregated the Mount Hope flock from all other poultry and have kept it segregated behind a high wire fence during the whole time of our breeding operations—over thirty years—measuring the advance that is constantly going on by comparing each generation with all generations which preceded it. In this way the birds which produce an advance in desirable qualities are mated only with the other birds which have shared in producing this advance. Segregation is therefore an essential element in our breeding system, being the necessary supplement by which the results of our discarding are secured. This is the method of

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breeding which we call breeding to improve the thread of inheritance passing from one generation to another. Progress, which nature might never have achieved, has been accomplished at Mount Hope in a period of time no longer than a human generation, raising a flock average of about 160 small eggs per bird per year to an average that approaches 300 eggs. Our charts show that by increasing the proportion of birds that continue to lay after May first, the 25-odd eggs needed to reach the 300-egg average can be obtained, provided suitable food is available. The many changes going on in processing foods, and in prices, produce effects in the feed given to poultry which we can not calculate and for which we have no practical remedy. The standard feeds on which the breeder once relied are no longer available, thus increasing the difficulties in a field of endeavor beset with numerous difficulties of its own.

Our highest-record bird laid, in the year 1948-49, eggs equal in substance to 400 Grade A, 2-ounce eggs.

As to the quantity of food in proportion to the number of eggs laid, we find that in 1923, when our production was about 165 eggs per bird per year, the eggs weighing about 22 ounces to the dozen, a bird produced .26 ounces of egg in the shell for each ounce of food eaten, while in 1948, when our flock production was 266 eggs per bird per year—each egg weighing 2 ounces or more—a bird produced .42 ounces of egg in the shell for each ounce of food eaten. The food required for maintenance, however, is a constant quantity while that required for egg substance is proportional to the number of eggs laid. The line therefore is a curve, approaching the horizontal at the upper end.

On the other hand the saving in labor and building costs is simple, being given by dividing these costs by the total weight of eggs. A saving in labor is, of course, an indirect saving of food for use of men required for work in the industry.

The Golden Egg pamphlet of 1950 gives a statistical account, with graphs, of the increase of egg production at Mount Hope from 1918, when a record of 200 eggs in a year was regarded as high, to 1949, when there were 297 birds in the Mount Hope flock finishing their pullet year records with production of 300

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or more eggs. The pamphlet also tells of the award of the Golden Egg trophy by the New Jersey State Poultry Association for " distinguished services to the poultry industry." [15]

Acting upon the Inheritance!

The common explanation of changes, such as are ordinarily produced by breeding operations, is that there is a new combination of genes—a conception which, however, does not explain the cause which led to the combination. There is a most suggestive discussion of this subject—the non-spatial impulses which govern life processes, and the protoplasm which shows the effect of the impulses—with the conclusion of it all—as it ever is when we approach the fundamental—that " the genotype can become richer only through new genes arising and as to this we know nothing." [16]

The most striking characteristic of all protoplasm in the history of life on earth has been its constant tendency to change—a tendency which might almost be called a willingness to change when the right conditions arise. If the change proceed far enough, a new form comes into existence which will not reproduce with the old, and then we say a new species has appeared. In any event, however, the change in genes precedes the change in form or function, and the impulse in the protoplasm precedes the new gene or the new combination of genes.

At Mount Hope mice bred for rapid growth and larger size in a closed stock nearly doubled both rate of growth and size in a little more than ten years—a forecast of what might be accomplished with any meat-producing animal. We have also seen thirteen or fourteen white hairs in the forehead of a stock of otherwise black mice—hairs almost unobservable without the aid of a glass—increase, generation by generation, until the whole stock is partly white and some mice are nearly white. The

[15] The Golden Egg pamphlet outlined briefly the history of the rise of the poultry industry in the nineteenth and twentieth centuries, the growth of the trade in eggs, and the use of incubators. This little book met with a large demand in America and aroused attention also in England, where one authority said: " In this country we are amazed, of course, at the proficiency to which Mount Hope has raised the hen."

[16] *Theoretical Biology,* by J. Von Uexkull (London and New York, 1926), pp. 266, 182, 191-192, 198-200.

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change is so considerable that we can not doubt that in no long time the mice will be white without black markings.

Such changes as these are so readily produced when the system of breeding is such that it can be considered as acting almost directly upon the very inheritance itself which parents transmit to offspring, that we incline to believe that the explanation will ultimately be found neither in re-combinations of almost immutable genes, nor in gene mutations, but in some other process not now understood.

THERE IS BUT ONE METHOD EFFECTIVELY TO BREED DOMESTIC ANIMALS FOR RACE IMPROVEMENT

Breeding which measures progress by the performance of one generation after another is necessarily slow, but it can not be hurried. As applied to poultry in which the desired quality of egg production shows only in the female, it has taken Mount Hope the full period generally assigned as the time of a human generation to reach its present position. When breeding swine, sheep and poultry for meat, the time required will probably be shorter, since the desired quality shows equally in male and female. In breeding dairy cattle for increased milk production, the time might be as long as several human generations, but when we consider the organization of many famous commercial corporations which has enabled them to carry on the steady, unremitting improvement of the last seventy-five years and more, it seems that the agricultural colleges, with these corporations before them as an example and with demonstrated breeding methods which act upon the inheritance to study, should be able to establish such a system as would steadily raise the value of our dairy cattle. The demand for milk as the most important of our protective foods will be very insistent thirty years from now, and the colleges can not begin the work too soon. The important considerations are that, although the development of the hen has but just begun and apparently can be carried much further, we do not know how long a period of time this development will take. With our other useful domestic animals, development can hardly be said to have begun, and since the population of the country is rapidly rising, and breeding is an operation

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which requires much time, it becomes a matter of urgency that the work promptly be begun and pushed forward as rapidly as possible. The time in which it can be done may be running out. It is a grave responsibility, therefore, which rests upon our agricultural colleges. Development of efficient energy is of very slow growth in organizations so closely related to political considerations and if there is to be any progress there is need that the public at large understand that the food of the nation is at stake.

The history of Mount Hope poultry breeding then should be considered not only for the importance of the poultry themselves as egg producers, but chiefly for their importance as experimental animals, to determine the best method of breeding all our domestic stock—beef and dairy cattle, sheep and swine—to provide food for the human race—the conclusion of the whole matter being:

1. There can be only one system of breeding for race improvement—a system which in some way acts on the inheritance transmitted from parents to offspring in a herd or flock that is constantly inter-bred and always kept completely segregated from all other animals of their kind. Mating merely good individuals which are not the product of such a system has but a brief influence, even at the best, since the inheritance which they receive and pass on is of a mixed character, soon lost.

2. Improvement consists in making every generation a little better than the preceding. This is done by the system of breeding which has been described.

3. Measuring progress, generation by generation, is a very slow process—much slower than we expected when we began. We have produced a new race of egg-laying poultry—the desired result—but to do this, our flock—not a small one—has been segregated and inter-bred for a period of thirty years.

4. This accomplishment should not be subject to the mutations of any private business but should be taken up with all useful domestic animals by many agricultural colleges as one of their leading subjects of effort. Poultry stock should be acquired from Mount Hope, persons of authority in each college should come to Mount Hope, study the nature of our breeding

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work, our methods and our reasons for following them, should give careful attention to our records, take copies of our blanks, and carry the work on from its present position. It is our belief that the new form of animal breeding directed to modification of the inheritance has but just begun and that before the times of food shortages actually press, it will be possible to have our domestic animals in a condition of productivity far beyond anything now known.

5. The approach of food shortages is so insidious that it may easily strike before the productivity of our domestic animals reaches a sufficiently high level to prevent want. The colleges therefore should seek men, especially young men of superior inventiveness, to devise more rapid methods of increasing foods of animal origin than the one described above.

BREEDING FOR EXHIBITION, PEDIGREE AND LUCK

The Agricultural Colleges

There were foresighted men in this country at the time these colleges were established and among these men were some who could remember the conditions of hunger in Europe before the coming of the nineteenth-century abundance. These old memories were in the minds of many men and women ninety years ago, as we see in the tale of John Halifax, Gentleman, written by Miss Mulock in 1857.

The agricultural colleges were founded to give such education to all persons concerned with American farming as should, so far as possible, protect America in the future from the lack of food which Europe had known so well in all previous times. What, then, have the agricultural colleges done and what are they doing for the food supply of future generations?

From the practical standpoint of food production there can be but two breeds of poultry: those which most economically produce the most food in their eggs and those which most economically produce the most food in their meat. In the same way there can be but two breeds of cattle: the milk-producing and the meat-producing. Swine will be valued as meat producers and sheep valued chiefly for meat although wool can not be disregarded. In the days which are coming, as food becomes

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difficult to obtain and increasingly expensive, the grandchildren and great grandchildren of our present age will be asking what was gained by separation of cattle and poultry and other animals into fictitious " breeds ".

Breeding in the Colleges

The principle that breeding of our domestic animals should be directed exclusively to the development of their practical qualities is not yet taught by the agricultural colleges, for among their textbooks are the *Standard of Perfection* and the advertising matter of the dairy breeds. Genetics is by no means unknown in these colleges for it occupies a prominent place in their teaching; nevertheless science—when truly taught —is a subject which admits no divided allegiance for it requires an absolutely single-minded devotion to scientific truth. Science that is taught with the web, fluff and feathers of the *Standard*, and the rules of breed distinctions, and the accepted type of cattle, is not a sincere science at all and so long as these rules are taught it will still be true that " The application of genetics to animal breeding up to the present time has been almost infinitesimal." [17]

Of chickens there are 154 varieties listed in the *Standard of Perfection*, of which five are in general use: four dual-purpose breeds—the Rhode Island Reds, New Hampshires, Plymouth Rocks and perhaps a few Wyandottes—and one single-purpose breed, known for egg production, the White Leghorns. All these varieties mentioned in the *Standard* are probably, however, in existence and many are exhibited every year at poultry shows where they are " judged " and prizes or ribbons are awarded for the excellence of their feathers. Instead of concentrating on an egg breed and a meat breed, most of the colleges have several breeds—perhaps Rhode Island Reds, Plymouth Rocks, New Hampshires and White Leghorns. It is very noticeable that among the high-producing hens which furnished the foundation of the Mount Hope flock, none had been produced or were owned by an agricultural college.

[17] " Elementary Genetics and Eugenics ", by B. L. Warwick, a review of Nathan Foster's " Principles of Genetics and Eugenics ", in *Journal of Heredity*, February 1936, vol. 27, p. 84.

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The handling of dairy cattle by the colleges is done in the same way. If a college maintain a herd of fifty milking cows, this number, according to their present practice, is divided among six different dairy-cattle registries, so that there will be on the average eight cows in each "breed".[18] There are also separate "breeds" of meat cattle. "A Hereford and a Shorthorn steer are easily identified on foot . . . but he would be a rare individual who would care to stake his reputation on telling them apart as they hang in the cooler as well-finished sides of beef."[19] Division, whether of meat animals or of dairy cattle, into so-called breeds prevents full comparison of economic qualities among all animals of each of these two classes, restricting such comparison to the small numbers of animals of each "breed". Progress, therefore, is out of the question and many of the dairy herds belonging to colleges are not such as a competent dairyman would be willing to own. These practices should be changed and in making the alteration, the colleges have a unique opportunity to establish a sound system of breeding which will contribute to needed future supply of food. All these six so-called "breeds" of dairy cattle are of recent origin, coming from mixtures of the same stock made in the nineteenth century so that black and white Guernseys and Jerseys are well known in America.[20] They are all dependent upon pedigree registries instituted in America since the Civil War. The British, Dutch and Swiss registries followed the American regis-

[18] "A great deal of attention has been given registered animals as such, and especially blue-ribbon winners, but there has been no corresponding amount of attention . . . to finding out whether these animals really carried superior germ plasm or whether, so far as functional abilities are concerned, their germ plasm might be actually inferior to that of other animals." "Live Stock Breeding at the Crossroads", *U. S. D. A. Year Book* for 1936, pp. 831, 832.

[19] "Live Stock Breeding at the Crossroads", under sub-title "Are We at a Turning Point in Live Stock Breeding?", *U. S. D. A. Year Book* for 1936, pp. 832, 835.

[20] The history of these breeds, based on contemporary evidence which is cited in every case, can be found in *American Dairy Cattle* (New York, 1942). Black and white Guernseys—crosses from the Dutch—were shown on an oil painting which, in 1932, hung over the desk of the Secretary of the breed on the Island of Guernsey and may well be hanging there still. A copy in oils of this painting can be seen in the Mount Hope Farm office in Williamstown, Massachusetts. This picture in colors was also published as the frontispiece of *Breeding Profitable Dairy Cattle* (Boston, 1935), both books by E. Parmalee Prentice.

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tries a little later. All breeds, nevertheless, claim great antiquity—the Brown Swiss, which according to some accounts were prehistoric, depending on a registry which was first instituted in America in 1889. The Swiss registry was established in 1912.

All this is a long and continuing history of waste and disappointment. Progress will come when all fictitious " breeds " are disregarded and effort is directed to improving the inheritance of production.

Had the six agricultural colleges in New England at the beginning of the present century, disregarding " breeds ", centered their dairy-cattle breeding work in one State, so as to enlarge the number of animals out of which selection could be made, and had they put the whole work into the hands of competent men, familiar with laboratory methods of breeding, the results would already have begun to show the great change in economic qualities which breeding can actually accomplish.

With the dairy work centered in one State, other centers could be made of beef-cattle breeding, poultry, sheep and swine, so that, instead of having ineffective breeding work on each one of five subjects conducted in each State, there would be in all six New England States, five—or if egg-laying poultry and meat-poultry were in separate centers, six—great centers—one for each of the breeding subjects. If this could be done and the work handled by competent men, the progress would still be going ahead in the times of our great, great grandchildren, all to the benefit of the world—and to the increasing reputation of the colleges which had taken such a leading position in supplying the public demand for food.

The whole of New England contains only about 66,000 square miles—while the State of Minnesota alone contains over 80,000—and none of these centers would be too remote for any farmer, who is interested, to visit the breeding center in which his special interest is concerned.

What is thus suggested for New England colleges could well be a course followed by the other agricultural colleges. In the case of dairy and beef cattle all the New England colleges put together would not give a large group of animals from which the breeder could make his selections, so the more animals that

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can be added to this group, the more rapid will be the breeders' progress.

Tinseled Emptiness

It would be a very sanguine person, indeed, who could expect the agricultural colleges willingly to approve such a movement toward efficient teaching and breeding as is here suggested, but breeding has fallen under the influence of speculation whose touch—it seems—can change the very heart of man. Horses, whose use for transportation or draught our children can hardly remember, are now of public interest chiefly in races where they draw the attendance of hundreds of thousands of persons and support a business of book-making—mechanical and other—which deals in sums exceeding a billion dollars a year—all part of the racing conducted " to improve the breed of horses."

" Pure-bred " dairy cattle have felt the same touch, but in the case of cattle the speculation is at the cost of imminent injury to our food supplies—while the breeding of poultry, swine and sheep is not free from the same blight.

It is all a spectacle of infinite pity—the loss falling upon men who are willing to go to expense and effort to improve their business and the industry. To these men is held out the hope of a happy turn of the wheel of fortune although every one should know that reliance upon what the official publication of the American Thoroughbred Association of Kentucky calls " the tinseled emptiness of pedigree " [21] deserves no respect as a basis for stock improvement. What this tinseled emptiness is worth is an old story, of which we have a good illustration in the performance of the birds bought by Mount Hope for the foundation of its flock. What work can do with time and perseverance is shown by the Mount Hope flock of the present day. The goddess of luck is well-directed work. There is none other.

Financial Accounts

It would be good business, too, if a uniform system of accounts were established in all the agricultural colleges, so that

[21] See " A New Spirit Is Moving ", by J. A. Estes, Secretary of the Thoroughbred Breeders Association, in *The Blood-Horse*, Saturday, December 12, 1942.

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the contributions by Federal and State governments would be clearly shown, also the receipts from other sources, and the application of all money received from all sources. Were these accounts arranged with the purpose of making them easily intelligible to all persons using them, they would help to create a sense of responsibility among those who do the spending to those who contribute vast sums.

Inheritance

The laws of heredity disclosed by Gregor Mendel's work were known in America in 1900 when the facts of that work were first generally published. In the beginning this study was called Mendelism but, as more and more was known, the subject soon became a complicated branch of scientific knowledge as different from all previous notions of inheritance as the science of chemistry is different from alchemy and as the modern science of astronomy is different from astrology.

As knowledge of Mendelism progressed, the subject with all its new developments became known as the science of heredity or, briefly, was termed genetics. This science is studied in every institution of higher learning and almost every one of the most important institutions has its department where research into the laws of heredity is conducted with experimental animals, such as rats, mice, guinea pigs and other animals.

In this respect the American agricultural colleges are not different from other institutions of higher learning for they all teach the subject of genetics in their departments of biology. They are, however, different from other institutions in that, in their work with the food-producing domestic animals, they still continue to practice and teach the old forms of breeding which have come down through many centuries founded upon the notions of inheritance which existed before Gregor Mendel was born.

The two systems, therefore, are entirely inconsistent with each other. The laws of genetics are founded upon experiments which, as far as they go, reveal the truth. They are wholly inconsistent with the ancient notions of inheritance, and therefore, to the extent that genetics is inconsistent with these no-

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tions, we accept genetics as true and the teaching of the ancient notions as the result either of ignorance of modern science or of a deliberate refusal to accept the truths which it reveals.

So far, therefore, as the agricultural colleges still teach breeding by the rules of type and pedigree, their teaching is unsound and can not survive when any college or governmental department has the courage to take the lead in teaching the truth. We may hope that this day is not far distant, for the supply of animal proteins, which is an essential part of a healthy human diet, depends upon the knowledge and practice in handling our food animals in accordance with the laws of sound breeding.

The Rapids Are Below You

The most important questions before the world are the questions of food and population, and America, like all other lands, must face these questions. There are those still living in this country who can remember Mr. John B. Gough and his lecture, *The Rapids Are Below You*. Mr. Gough was a temperance lecturer who compared the life of those who do not sufficiently regard the consequences of their acts to the course of persons floating in a boat on the Niagara River regardless of their situation and its dangers. No person living fifty years ago, knowing the comfort of such life as Europe could give, would be able to believe that in the middle of the century into which they were then entering, Europe would be gladly receiving gifts of food and money to relieve the condition of hunger and inadequate nourishment which now presses upon all Europeans. Nevertheless the conditions which make want elsewhere can produce it here, and should that day come, the American agricultural colleges and the United States Department of Agriculture are likely to have chapters of their own in future histories.

E. PARMALEE PRENTICE

NEW YORK CITY

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THE NEW FACE OF ALGERIA

PART II *

The Economic Development of Algeria

1

THE French government at home and the administration in Algeria are fully aware that the success of any administrative steps taken to preserve the French position in North Africa is dependent in very large part on a complementary program of economic development. It is to this end that the energies of the administrative services have been chiefly directed since the end of the war. The problems of the Algerian economy have been and are today varied and complex; no single program of economic development can hope to solve the pressing question of how to raise the standards of living of a population whose constantly growing numbers are already exerting enormous pressure on the available sources of food supply.

The basic and overriding problem of the Algerian economy and one to which no short-range solution can be sought is that of overpopulation in relation to the productive capacity of the area. The immense territorial extent of Algeria when compared to the actual population figures gives a relatively low density per square mile, but it must be remembered that a large percentage of the total area is made up of arid desert and mountainous terrain useless in food production. The only hope of eventual relief of the problem lies in increasing the yield of areas already under production and those susceptible of further development through irrigation and special farming techniques. Further hope for relief lies also in the future development of industrial and mining activity in order to absorb surplus agricultural population but, here again, this constitutes an even longer-range goal, because of the difficulties of securing development capital and the adapting of a population now more than 80 per

* The first part of this article appeared in September 1951.

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cent dependent on agriculture to the new techniques of an industrial society.

A few figures will serve to point up the importance of the population question. The Algerian population has grown from 2,487,000 in 1850 to a total of 8,601,350 at the latest census of 1948.[7] The present birth rate gives an increase of more than 150,000 annually, by far the major portion of which is among the native peoples. If birth-rate figures continue at present levels and infant mortality rates decline with the increased use of public health services, it is to be expected that the ratio of births over deaths will rise. As in the case of other overpopulated areas of the world, the problem becomes one not only of raising the living standards of the present population but of finding ways of feeding constantly increasing numbers. In its simplest form the question is that of producing as much of the needed food as possible at home and, at the same time, employing areas not suitable for home food production in growing products suitable for trade on the world markets. Hand in hand with this goes the exploitation of mining possibilities and industrial development; but the latter faces peculiar difficulties, created largely by the ambiguous position of Algeria in the overall foreign trade policy of Europe. For the near future at least, the chief area of concentration must remain that of agriculture.

2

Agriculture in Algeria, although the major activity of the people, has always been precarious because of insufficient rainfall and unsuitable terrain. The arable areas are confined to relatively narrow strips between the mountain chains along the seacoast; beyond the coastal belt, averaging 200 miles in width, stretch the vast and useless wastes of the desert. Between the Mediterranean and the coastal range lies a thin but fertile strip of land, broken at many places by mountains descending abruptly to the sea. Past this lies a wider valley, devoted to mixed farming with a strong emphasis on vineyards. Here the land is flat, broken only by the wide channels of streams (*oueds*) which in the early spring are rushing torrents but which for al-

[7] A full breakdown of the 1948 census may be found in *Documents algériens*, No. 26, Sér. Politique, August 1, 1949.

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most all of the rest of the year are either dry or mere trickles. Special farming techniques, employed largely by the French *colons*, make the farms in this area prosperous; but without water conservation and deep plowing even here the soil yields only very light crops. Beyond the second line of mountains lies the wide and wind-swept region of the High Plateaus. Here the bulk of the grain is grown on small native farms, although many larger farms belong to the French settlers. Here, too, in the rolling plains successful farming by Western standards requires mechanization and special techniques, but even the more primitive native methods bring adequate results. Since the plateau region lies at an altitude of one to three thousand feet above sea level, snow is not uncommon in winter, and frost, particularly late in the spring, is a constant hazard. Rainfall is at times plentiful but excessively irregular and in consequence an entire crop may be ruined at any time during the year.[8] To the south of the farms of the High Plateaus is the sheep-raising country, a bleak expanse of hills covered with short grass. This is the domain of the nomadic tribes, who move with the seasons from pasture to pasture coming in contact with civilization only when the sheep are brought to the washing and clipping stations.

It should not be concluded from this brief sketch of Algeria's farm lands that they are not susceptible of further development; despite topographical and rainfall difficulties, many Algerian farms are more successful than those in marginal areas of the United States. The essential point is, however, that they cannot be made to produce more by the primitive methods of farming used by the natives for centuries past. With proper irrigation, the long, hot growing season produces abundant crops, and deep plowing permits the seeds to draw moisture from below the area of surface evaporation. But these are methods which are costly in machinery and which require some degree of education and skill. It will be a long and difficult task to persuade the native farmer that the new methods must supersede his age-old ways,

[8] A vivid picture of the problems of farming in the *Haut Plateau*, showing conditions as the author has himself observed them, may be found in S. Rouart, "Notes sur une exploitation des Hauts Plateaux algérois: Beni Shiman", *Bulletin de la Société des Agriculteurs d'Algérie*, No. 546.

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particularly when they come from the French, of whom he is distrustful in the beginning. Some progress toward this end, however, is being made through the various agencies established by the administration to aid native agriculture.

The division of agricultural land between the native inhabitants and the French colonists has been the subject of much dispute and various pieces of legislation throughout the century past. The question has been chiefly that of the separation of private and tribal holdings of the natives and the individual holdings of the French farmers; the constant accusation has been leveled at the French of appropriating the best lands for themselves. Moreover, in areas where the nomadic tribes were accustomed to roam at will in seeking pasture, the assumption of private holdings caused no little hardship and resentment.

The life of the colonial farmer in Algeria during the middle of the nineteenth century was difficult in the extreme. Despite attempts made by various governments in Paris to encourage migration to Algeria, the number of colonists grew very slowly. This was due in large part to the appalling conditions of health which prevailed in the coastal areas in which most of the colonists settled. Whole families were wiped out by fever; ignorance of the severe climate caused frequent crop failures, leaving many families destitute and even in conditions of starvation. A particularly unfortunate experiment in colonization was that following the revolution of 1848. More than twelve thousand colonists were dispatched by ship in the latter part of that year. Unfortunately, virtually no time was allowed to prepare for their arrival so that no housing was available and no land assignments had been made. The following year, after a winter of extreme hardship, the new colonists were struck down by a cholera epidemic and by a completely rainless growing season. Through a combination of natural disasters and administrative mismanagement, the colonists were reduced by more than two-thirds by 1851 and, had it not been for special government aid, might have been completely destroyed.

After this disastrous experiment colonization went on more slowly over the following decades, although the lot of the settlers was gradually improved by public health measures and

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greater attention was paid to the special problems of Algerian farming methods. Serious friction arose, however, with the seizing of native lands for settlement and even more particularly for speculative purposes. To alleviate the situation (and incidentally to aid materially in extending French control) the *Sénatus-Consulte* of 1863 was enacted, specifying the limits of tribal lands but permitting colonists to buy from the natives land which they needed. Although this had the effect of securing title to their lands for the native population, the land situation has not even today been entirely cleared up.

The French owners of extensive farm acreage complain that their farms tend to be cut up by small patches of land remaining in native hands which renders difficult the most effective use of machinery. Their complaint, from the observer's point of view, is justified in some degree; it is evident from the contrast between adjacent pieces of French and native tilled land that the results obtained by the French farmer are considerably greater. Yet, on the other hand, it is hard to see how the situation can presently be rectified, without expropriation of native land and resettlement of the present owners. This would, however, be a process so dangerous in the already tense political atmosphere that its undertaking would scarcely be feasible.

The Agriculture Section of the administration appears to feel that its best hope of improving the conditions lies in demonstrating to the native farmer, through the results obtained by his French neighbors, that scientific farming will materially raise his living standard; if his holding is not large enough to use modern methods, then it would be considerably to his advantage to transfer to an area where native community holdings permit large-scale operation. But, taking into account the natural desire of the native to own his own property and his suspicion of any French act, however well intentioned, it seems clear that the procedure of visual demonstration will be very slow in its effects.

If one considers the problems, both physical and social, which have been and are presently facing Algerian agriculture, it is surprising to find that the production levels are as high as they are today. Despite the severe setbacks occasioned by the war

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years and the post-war drought, production of most agricultural products has almost regained its pre-war average. The yield of winter grains, Algeria's most important product from the point of view of supplying food to the population, was 19,388,000 quintals in 1948-49 as opposed to a pre-war annual average of 18,868,000 quintals.[9]

An indication of the progress being made in increasing land productivity may be seen from the fact that this crop was taken from 2,754,000 hectares under cultivation while the lower average pre-war crop was taken from an average of 3,028,500 hectares. To these grain figures must be added the additional food supplies of 1,222,000 quintals of vegetables, including potatoes, grown in 1949. This was sufficient to supply the local market completely and to permit a sizable export to European countries.

From the point of view of export demands, however, by far the most valuable product of Algerian agriculture is wine. The wine industry presents one of the most encouraging prospects in Algeria today, although it is still in process of recovery from the very serious setbacks suffered during the war years. The product of the Algerian vines cannot be considered to compete with that of the better-known districts of France. Nevertheless, Algerian wine is, because of the dryness of the climate and the strong summer heat, of higher alcoholic content than most French wines and is more full-bodied. Moreover, since the climate can be expected to be almost identical from year to year, the quality of the crop varies slightly. In consequence, the largest part of Algerian wine is exported to the *Métropole* to be used in blending with the better-known French wines. Because Algerian wine does not improve beyond the second year of aging, it can be used shortly after processing; and hence a continuous market supply is always available. Special types of vines have been under development to show best results in Algerian soil and climate so that considerable expansion of the industry is to be expected, provided the French market is kept open. By 1949, production had almost regained its pre-war peak, 14,467,-

[9] These and following figures are from *Exposé de la situation générale en Algérie 1949*, Gouvernement Général, Alger, 1950. One quintal = 100 pounds; 1 hectare = 2 acres.

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299 hectoliters as compared with 17,879,587 in 1939. The land under cultivation was, however, somewhat less; 335,318 hectares as compared with 394,645 in 1939.

While the grape is the most important of Algerian fruits, the production of olives, citrus fruits and figs must not be overlooked, particularly from the standpoint of development of future export markets. Without additional capital and training, however, the growing of these more specialized products for commercial trade must remain largely in the hands of French, not native, farmers.

In the field of meat and animal products Algerian production was much below the demands of home consumption so that a considerable portion had to be imported. It may be expected, however, that, as herds recover from the wartime destruction, the situation may be improved; but it will be some time before domestic demands can be fully met, even at present low rates of per capita native consumption. On the whole, the balance of Algerian agriculture would appear favorable, although increasing population and a rising standard of living will rapidly make demands which cannot be met without increased production of every type of agricultural product. It is this increase of productivity which is the chief aim of the various credit and cooperative organizations which have been set up (in the past by the administration) and which are presently being encouraged in every possible way.

The problem of agricultural credit and governmental aid, both to the native and to the French farmer, has a long and vexing history. It was obvious from the beginning of French control over the area that some sort of governmental aid would be necessary to establish the new colonists and to improve the lot of the native farmer. The earlier settlers received direct subsidy from the government, but, for reasons peculiar to the area, it was some time before methods could be worked out to extend credit to the native farmer. Even today this constitutes one of the thorniest questions of Algerian agriculture. The present system of credit is built on a mutual credit basis at the head of which stands the *Caisse algérienne de Crédit Agricole mutuel*, created in 1935. Beneath the central organization are regional

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offices and *Caisses locales*. Parallel to these and in part integrated with them are the *Caisse de Prêts Agricoles*, the *Sociétés Coopératives Agricoles* and the *Fonds Communs* of the *Sociétés Indigènes de Prévoyance*. The purpose of all these subsidiary organizations is to permit greater access to short-term loans for the native farmers, the great bulk of whom are unable to secure credit from the *Caisse algérienne* because of their inability to provide collateral or guarantees of loans. It is expected that gradually, as the native farmers are increasingly able to secure credit at the central organization, the smaller organizations will be completely incorporated in it, since access to it without distinction between native and French farmers is already provided, although few natives can take advantage of it. Even with this limitation the extent of the *Caisse algérienne* is a sizable one; at the end of 1949, it had more than $150,000,000 in outstanding loans, the greater part of which was in short-term loans. The financing of these loans was carried out in coöperation with the banks of Algeria and Tunisia but no direct subsidy was made by the administration.

The *Fonds Comuns* of the SIP, which attempts to reach more directly the small native landholder, amounted to something over $2,000,000. Loans made from these funds are for purposes of buying seed and fertilizers, not heavy machinery. The rôle of the various agricultural credit institutions is an extremely important one in a country where so many of the people are dependent on the land for a living and it is on these that the French pin much of their hope of satisfying the demands of the nationalists for a larger share of the products of the land for the native peoples.

Two aspects of the agricultural program in Algeria require particular attention. These are the two organizations, the *Sociétés Indigènes de Prévoyance* (SIP) and the *Secteurs d'Amélioration Rurale* (SAR). The SIP goes back more than a century in Algerian history, the initiative toward such an organization being taken by the military administration in 1846. The first SIP established was by General Liebert in 1869. Various laws since that time have formalized their structure and operation so that today they are not only credit institutions but buyers and

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sellers of grain and produce and are endowed with full legal personality under Algerian law. At the present moment there are more than 125 of these societies, three quarters of which are purely agricultural in their operations. They are set up specifically to aid the small native farmer (the French are not permitted to join) who would otherwise be unable to go to regular credit institutions. In many respects they act in the same manner as agricultural coöperatives in America, enjoying not only loaning powers but acting as buyer and seller of the goods of their members. They own livestock for breeding purposes, spread knowledge of advanced farming techniques, train the natives in practical crafts, and engage in conservation and land rehabilitation projects.

Each SIP is divided into territorial sections, and each section is presided over by a president and council elected by the members. Over the SIP as a whole presides a president (who is either a French civil servant or a high ranking Muslim) and an Administrative Council, consisting of the sectional presidents, native members and two or three European members, chosen by the Departmental Prefect. In turn the operation and finances of the SIP are supervised by the Prefect and the Departmental *agent des finances*. Questions of importance may be referred even as high as the Governor General. Attached to each SIP is a French-trained agricultural agent who advises on questions of operation.

The financial resources of the SIP stem from the fees levied on members (actually a minimal fee of about 50 francs and hence of slight importance), interest on loans to members, state subsidies from the Algerian *Office du Blé*, and finally the credits drawn from the *Caisse mutuel* and the *Fonds Communs des SIP*. The SIP serves directly as an intermediary by loaning to its members money which it in turn is empowered to borrow through normal banking channels. The *Fonds Communs* is supervised by an administrative council upon which the administration is represented. The SIP gives certain very definite advantages to the small native landholder not only from a purely financial view but also as a marketing agent and agricultural adviser as well. On the other hand, it must be admitted that the

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organization of the SIP affords certain advantages to the French administration. Complaints were voiced to the author in certain circles in Algeria that the SIP was being used as a tool to further French interests through over-all but indirect control over the marketing of a large part of the grain crop. There is no doubt that a certain degree of supervision of the farming procedures of the small native farmers is afforded by the SIP but there would seem to be no evidence that the French are taking advantage of the situation.

The administration of the SIP is relatively a democratic one; certainly the Europeans in the administration are greatly outnumbered by natives and the regional sections are entirely in native hands. It is true that, until 1943, the SIP was entirely in the hands of the administration, but since then much of the responsibility has been turned over to the natives. Indeed, in a report on the SIP and the SAR made in 1946 by a Commission on Reorganization of the SIP, the Muslim members of the Commission strongly recommended that the small French farmers be permitted access to the SIP on the same terms as the native *fellah*.[10] Despite the objection of some native groups to any degree of French participation in the SIP, nevertheless, if the existence of the SIP is dependent on this participation, it would be well worth while to continue it, for the SIP affords the native farmer greater possibilities for improving his lot than does any other form of aid.

The second agricultural organization peculiar to Algeria is the *Secteur d'Amélioration Rurale* (SAR). The SAR is in almost every respect dependent on the SIP of which it constitutes a territorial section. The SAR has been defined as "a territorial section of the SIP in which are concentrated the best ways of increasing agricultural production and thus creating the bases of improvement of the lot of the rural population of Algeria."[11] Generally speaking the SAR differs from the SIP in that it operates within a smaller area and does not have the credit function of the latter. It concentrates more completely on the spreading of technical knowledge of farming methods and on the com-

[10] *Cf.* Assemblée de l'Union Française, Report No. 51, 1950, pp. 29-30.

[11] *Ibid.*, p. 13.

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munal purchase and use of machines. In coöperation with the Reforestation Service and the *Service de l'Hydraulique* the SAR acts also to reclaim land for agricultural use and as a buying and selling agent for land which comes on the market within its sector. For the creation of a SAR, specific criteria are laid down by the administration: it must constitute a geographic region with as large a degree of homogeneity and identity of interest among the people as possible; it must be small enough that it can be supervised completely by one agricultural agent, who must have close contact with each of the farmers in the area; finally, the sector must in itself be susceptible to the long-range aim of the SAR program, namely to constitute a unit of rural local government, capable of governing itself by democratic methods. To meet these requirements, any area under consideration for the formation of a SAR must be subjected to an exhaustive study of the rights, communal and private, of its landholders, so that the formation of the SAR will not invade legal titles already held.

The original demand for creation of a SAR comes either from the president of the SIP or from local authorities. It is followed by a lengthy inquiry, conducted by the president of the SIP and the *Commission communale du paysannat* consisting of a group of competent local farmers, Muslim and French. The request is then referred to the government in Algiers, where, after further consultation, it is approved by the Governor General. Its members among the natives automatically include all those who are members of the SIP; in the case of private owners of land who desire to become members, specific contracts are drawn obliging the farmer to cultivate according to the directives of the *chef de culture* and to sell his entire crop to the SIP. In return he is provided with seed grain and any special preparatory work on the land which he cannot do with his own personal equipment.

The SAR is operated under the direction of the *Commission communale du paysannat* mentioned above, but the actual executive power lies in the hands of the agricultural agent who is French and has been trained either in the Algerian Agricultural College or in France. Over-all supervision is maintained by the

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executive of the SIP in which the SAR lies. In addition the technical development of the SAR is watched over closely by the central administration. M. Schaeffer, *Inspecteur Général du Paysannat*, travels constantly, checking on the progress of land reclamation and crop yields and advising on new technical procedures. Each SAR is devoted to particular types of agricultural products, some cereals, some dates, some olives, and in the southern areas to sheep raising, and the agent in each is a specialist in the growing of these products.[12]

There are presently in operation 129 SARs, almost half of which are concerned with the growing of cereals. All represent a partial attack on the basic problem of providing food for a population which will double in ten years at present rates of increase. However, their impact at the present rate can scarcely be called striking. In the area of cereals alone, some 3,200,000 hectares are held by Muslim farmers compared to 1,600,000 hectares held by Europeans. At the end of 1948 the 52 SARs in cereal areas supervised around 100,000 hectares; the probable rate of expansion based on the rate of credit and material resource availability will be around 100,000 to 150,000 hectares annually. At this rate, then, it will take some forty years to improve all the native farm land through SAR techniques. The SARs dealing with sheep raising can encompass the entire area in ten years; with fruit trees in two or three years, and date farms in fifteen to twenty years. Undoubtedly the over-all plan of development foreseen through the program of the SAR is an extremely valuable one but its benefits will not be evident for some time.

The two organizations of the SIP and the SAR are in large measure the type of coöperatives which we know, but differ in some essential ways. They do receive a certain amount of government subsidy (although the SAR is financed largely out of SIP funds) but, inasmuch as they remain under the direct supervision of the administration, they represent methods of getting around difficulties in land reform encountered in Koranic law.

[12] The author spent a typical day with the Inspector, in the course of which almost 500 miles were covered—several sectors briefly inspected and advice given to the agents in each. So far as could be ascertained the relationship between the local authorities and the administration seemed excellent.

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Officially, usury is banned by Koranic law, and hence the Orthodox Muslim is confronted with certain difficulties in borrowing money. Previously the small farmer was ruined by exorbitant interest rates when he did venture, or was forced, to borrow. Through the SIP, interest rates are regularized by the government and the coöperative mechanism obviates some of the problems raised by borrowing from a purely financial institution. Moreover, the coöperative type of organization seen in the SAR is perhaps the only way under Koranic law to approach the question of mechanization of the land. Because of the absence of primogeniture under Koranic law the land was divided upon the owner's death equally among all his sons. The result was that the holdings of individuals were becoming increasingly smaller and less susceptible of mechanical tilling and harvesting. The only way out of this dilemma was to provide a method by which groups of farmers could buy machinery for communal use and could find a better market for their produce by communal means. Where each individual's holding was so small that it barely provided subsistence, no additional capital could be found for improvement so that without mutual help the situation could only grow worse. The SAR and the SIP were designed to meet this situation and, within their present limitations of time and resources, are doing a creditable job.

3

Some relief from the pressing demographic problem of Algeria might be found in the utilization of manpower in a program of industrial development which, in turn, would provide not only manufactured goods for the home market but also an exportable surplus for purchases abroad. There are, however, various obstacles, both natural and artificial, which stand in the way of any extensive industrialization in Algeria as a whole. Although there is room for development in particular industrial fields, even these require large capital investment before any sizable return can be secured; and at present such capital is not available.

Algeria's industrial problem is the lack of raw material sources. Some basic materials are to be found in moderate quantities, such as coal and hydroelectric power, but these would be

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insufficient to supply any large industrial system. Although geological exploration of the whole area is far from complete, up to the present no extensive sources of oil, iron ore or subsidiary metals have been found. Even if such resources are discovered in the future, the question of capital remains. Moreover, a formidable problem lies in the distances to be covered in the transport of raw materials; industrial development at present is limited to the vicinity of port cities. If raw materials are found in the interior, the transporting of them to the processing areas would make their exploitation exceedingly costly. An example may illustrate the point: native coal is produced in some quantity at Colomb-Bechar in the southwest corner of the state, but the high cost of production and the transport to the coast raises its price above that of coal imported from continental Europe. To sustain an annual production of 240,000 tons (equal to about one fourth of Algerian consumption) requires government subsidy.

The question of Algerian industrialization is further complicated by the reluctance of French capital to engage in any large-scale expansion in Algeria. From the point of view of the French industrialist, Algeria has in the past provided a good market for manufactured goods and has in return supplied agricultural products; he sees little incentive to destroy this arrangement by encouraging manufacturing on a large scale in Algeria. This attitude tends to be reflected in the decisions of non-French capitalists. The feeling of the outsider is: If the French themselves will not invest in Algeria, why should I take the risk? Hence, much of the new capital to be invested in Algeria will come from government lending sources.

The realization of an industrial society requires not only raw materials and capital but also a relatively high level of technical knowledge on the part of a large number of workers. Here again Algeria encounters difficulties. Since the population is predominantly agricultural there has been little opportunity (or even desire) on the part of the native peoples to acquire any technical skills. Furthermore, there have been complaints on the part of industry that even unskilled labor is difficult to secure. It is possible that with the mechanization of agriculture

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some technical skills will gradually spread to greater numbers of the natives. Still this does not meet the more basic problem of inculcating the psychology of a modern industrial state in the minds of the people. The average Arab or Berber or Kabyle would much prefer to own his own plot of land, even though he may be able to wrest only a bare subsistence from it, than to take a job in an industrial plant where he may earn more but where he also has to work eight hours a day under supervision. The material incentives of living which go with industrialization have not yet sufficiently impressed him to make him want to forsake the way of life which he has always known. The changing of the Algerian native from farmer to industrial worker will be a lengthy process which has only just begun and which will take more than one generation. For the near future at least Algeria must depend heavily on French technical specialists and even on French laborers.

Being part of Metropolitan France, Algeria shares in the overall plan of French industrialization set up at the end of World War II. Results so far have been behind schedule particularly in the field of private investment. In 1949 investment in Algerian industry totaled some 4,300,000,000 francs ($1,400,000,000), far below the total foreseen in the four year plan. The greater part of this was in chemical and metallurgical industries (including the production of phosphates for fertilizers). Every encouragement is given to the establishment of new industry, but the demands of reconstruction in France have tended to leave little private capital free, even if investors were inclined to place their funds in Algeria. Several new products are presently being manufactured in small quantities in Algeria which were imported entirely before the war, such as electric motors and cables, glass and pharmaceutical packing equipment; but these do not yet come near to supplying the home market.

Algeria has, of course, been greatly aided in the obtaining of heavy industrial equipment by the European Recovery Plan. In the period from April 20, 1948, to June 30, 1949, $12,647,000 in dollar credits was expended for equipment but more than half went for public works materials and agricultural equipment so that industry benefited only in part from the ERP.

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The development of Algerian industry is now and must remain a slow process. And it must, because of natural limitations, be a well-planned program, so that much-needed capital will not be wasted on costly experiments. Always in the mind of the administration is the long-range goal of relieving demographic pressure; in this, industrialization can be expected to play only a minor rôle in the foreseeable future and it is in agriculture that the brightest prospects lie.

Although agricultural production may be significantly increased in the coming years, there still remain many items which Algeria must continue to import and which must be somehow paid for by exports. The need for the continuation and expansion of the present markets for Algerian agricultural exports constantly looms as a major item in the planning of the administration. As with most other areas the economy of Algeria was badly upset by the war and a great deal of effort has had to be put forth in reconstruction, particularly of port and loading facilities, before normal trade relationships could be undertaken. The trade figures of Algeria reflect this situation since the war, but at the same time comparison with pre-war trade figures shows that the difficulties of Algerian trade, unchanged by the war years, are reasserting themselves as the reconstruction period gradually moves toward normal exchange levels.

The new administrative régime which was applied in 1947 reconfirmed the customs union which had been in effect between France and Algeria since 1884. Through this arangement all products (except a few such as tobacco which is a government monopoly in France) from each country are admitted to the other duty free. A similar arrangement exists between Algeria and Tunis. With Morocco, the arrangement is less free; imports from Morocco benefit from tariff reductions up to a limited quota, beyond these quotas they receive the same preferential rate as the lowest rate on similar foreign products imported into Algeria. Because of the equal-treatment provisions of the Act of Algeciras, all Algerian exports to Morocco are subject to a standard ad valorem tax, although some preferential arrangements are presently being worked out. For all other countries the tariffs applicable in Metropolitan France are also applicable

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in Algeria, as well as all regulations governing foreign-exchange control. For a few imports exception to this over-all rule is made in a special Algerian Tariff, under the control of the Algerian Assembly. These include coffee, tobacco and petroleum products. Special agreements covering particular items may be concluded with foreign countries by the Algerian government and a few such agreements are presently in force.

In view of this favorable arrangement with France, it is not surprising that she should be Algeria's best customer and largest supplier. Algerian exports to France are chiefly wines, citrus fruits, potatoes, vegetables, dried and processed fish, phosphates and cork. France in return sent to Algeria building materials, steel products (including machinery and automobiles), fats, paper and clothing. Over all, 77.9 per cent of Algeria's imports in 1949 were from France, while France absorbed 76 per cent of Algeria's exports. In volume this represented 1,911,312 tons of exports with a value of 67.5 billion francs and 1,222,758 tons of imports valued at 101 billion francs. It will be evident that, in the area of trade with the mother country, Algeria suffers a deficit of some 34 billion francs. This deficit presents a more serious aspect when the figures of the previous post-war years are compared. The trend has been toward a gradual increase of imports over exports and to a widening of the deficit gap. Moreover the gap could not be closed merely by a balancing of export-import tonnage; to balance it would require a considerable volume of exports over imports since Algerian exports are largely bulky and heavy products with a relatively low value per ton, while her imports, being processed and finished goods, have a much higher ton-value. Algerian produce cannot, without a lowering of production costs, look forward to a very bright future on the French domestic market since their higher transportation cost makes difficult competition with home-grown vegetables and fruits. However, Algeria must continue to cultivate this market since without favorable tariff arrangements new markets would be exceedingly hard to find.

The same situation prevails in the relationship between Algeria and the other areas of the French Union. Here again Algeria shows a deficit of nearly one billion francs for 1949 in

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transactions covering 123,400 tons of exports and 119,900 tons of imports; the relatively low deficit for a favorable over-all volume reflects the fact that the greater part of the imports from the Union were in raw product form as were Algeria's exports to the Union. French West Africa and Morocco were the two best customers but even here it should be noted that the 1949 figures continue a trend of the past few years to a smaller over-all trade with the Union as a whole.

The trend of Algerian trade with other areas of the world shows a reversal of that with French areas. Here, the gap between imports and exports is gradually being closed. In 1949 imports of 954,945 tons valued at 21.4 billion francs were more than two-thirds balanced in value by exports of 3,407,180 tons valued at 14.7 billion francs. The corresponding figures for 1948 were 1,120,000 tons (17 billion francs) and 2,780,000 tons (9 billion francs). This represents for 1949 a coverage of imports by exports of 68 per cent compared to slightly over 50 per cent in 1948. Foreign trade represents on the whole about 20 per cent of Algerian import trade and about 10 per cent of her export trade, so that, even though the trend is toward closing the gap here, it does not represent a very significant change in the over-all picture.

The United Kingdom is by far Algeria's best foreign customer; almost 2 million of the 3.4 million tons exported went here; in return Algeria bought more from Great Britain than anywhere except the United States. Algerian imports were chiefly oil, tractors and agricultural machines, while Britain bought alfa (paper-grass), fruits and some iron ore. The transactions left a favorable balance of 5 billion francs but this was more than offset by the extreme disequilibrium of the trade with the United States. Here imports are more than four times exports in value, consisting in 1949 largely of grain, coal, petroleum and agricultural machines. Algeria sold a little iron ore and cork. But the transactions left a deficit of more than 6 billion francs, much of which was taken up, of course, through allotments from the European Recovery Program. Beyond these two countries, Algerian trade is diversified but in every case very small in quantity. Curiously, Western Germany represented in

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value (but not in tonnage) the second source of export revenue after Great Britain, the income from here being 1½ billion francs.

The outlook for Algerian trade as a means of relieving economic pressure at home does not seem bright. Granting that the present abnormal situation of dollar deficit may be alleviated, the fact remains that Algeria will continue to need for a considerable future period imports of capital goods and finished products for which she can pay only in much less costly raw materials. Moreover, if agricultural production does not grow with the population there will remain less and less exportable surplus. The only hope is that, as industrialization slowly gains momentum, Algeria will be able to produce for domestic use more of the machine-made products which she now imports.

4

It is evident that much of the necessary development of Algeria in both the agricultural and the industrial fields is dependent on the utilization of governmental aid in the promotion of an extensive public works program in those areas of public benefit to which private capital is not attracted. The French administration has long been aware of these needs and has had under way a program of public works of which it is justly proud. These operations have been most extensive in water conservation, reforestation and irrigation. These are, of course, primarily aimed at the larger and more effective utilization of available farm land and have gone hand in hand with the efforts of the SAR and SIP to spread knowledge of particular techniques of scientific farming (such as deep ploughing and contour ploughing) among the native and French farmers.

A second aspect of the water control program is the construction of electric power plants in connection with the conservation dams and the formation of a power distribution network which will, it is hoped, in the relatively near future make available power for urban industrialization and for the mechanization of the larger farms. Because of the problem of the uncertainty of the level of rainfall, considerable planning must go into the location and construction of these dams, so that their

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efficiency will remain high, even in an extended period of drought. A concomitant result is that the construction costs, even with the use of low-cost native labor, are exceedingly high, although it should be pointed out that, in view of the exceedingly difficult terrain in which some of the dams are located, they represent remarkable engineering achievements and will, in their long-run benefits, be well worth the high initial cost.

The irrigation network provided by the dams has proved to be the greatest possible aid to agriculture. Rainfall occurs normally only once a year, in early spring, and then in excessive quantities so that, without controls, it tends to run off very quickly, particularly from the steeply sloping hillsides, carrying with it the best of the top soil which in many areas is alarmingly thin. Added to this the runoff creates sudden and devastating floods in the richer valley areas so that the *oueds,* dry for the greater part of the year, can overnight become torrents, sweeping away not only soil but livestock and equipment as well. The dams, most of which are situated in the interior of the high plateau region, serve as central collection points from which the water, which would otherwise flow directly to the sea, is released gradually through the irrigation system during the summer months. The program of dam construction follows an over-all plan laid down originally in 1920 which aimed at the eventual construction of a total capacity of 900 million cubic meters to serve as irrigation centers for more than 180,000 hectares. At present this plan is more than fifty per cent complete, some 100,000 hectares being under irrigation, served by eight dams. Most of the irrigation is effected by irrigation ditches stretching in various directions from the central pumping station or by cement conduits raised above the ground. The latter method, although considerably more costly, is favored because it permits the most effective use of the water where it is most needed, by avoiding loss through seepage.

To the observer in Algeria, one of the most striking examples of the benefits of French administration is this irrigation system; it represents a benefit to the native peoples which would have been completely impossible had French technical and financial assistance not been available. Wide areas which grew marginal

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crops before are now green and flourishing even in the midsummer heat and, as the administration puts it: "Vast areas of cereal land are thus progressively transformed into valuable lands yielding 100 to 200 quintals per hectare, and, even more important, can be made to produce fruits and vegetables at a season of the year when Europe is not producing and which can, therefore, attract the highest prices." [13]

With the development of the dam program has come a continuous increase in the production of electric power. From a total of 210,375,933 kilowatt-hours in 1937, present production has risen to 383,712,513 kilowatt-hours (of which 145,000,000 are hydraulically produced). Some of this has been utilized in post-war industrial development, but a large proportion has gone into rural electrification and in the pumping stations for the irrigation system. It cannot be expected that rural electrification will reach the small native farmer in the foreseeable future; its cost will restrict its use to those farms large enough to have electrical machinery. However, the small farmer will benefit indirectly from the electrification of the machines owned by his local SAR.

Hand in hand with the irrigation program has gone the extension of the soil restoration service. This service has a twofold aim, that of restoring needed areas which have been suitable for cultivation in the past but which through overcropping and neglect have eroded so that they are useless, and the prevention of further erosion by reforestation of hillsides by means of terracing. The problem of reforestation not only to prevent erosion but to increase the dwindling timber supply has, in the last decade, become acute. The native farmer, particularly in the hill regions, has never given thought to the question of conservation; the hillsides have been completely denuded of even small trees for use as firewood, and close cropping by sheep has killed the remaining grass. The torrential spring rains were free to carry off the soil, and formerly arable areas have been reduced to useless gravel. It is the reclamation of areas such as these that is the task of the Soil Conservation Service.

[13] *Exposé de la situation générale*, p. 235.

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Working in coöperation with the local SAR, if one exists, the Service attempts to rehabilitate the hillsides by extensive terracing and the planting of rapid growing trees to hold the moisture and soil in place. The areas to be worked are divided into sectors, and the operations in each are supervised by a monitor of the Service who in turn has a native assistant. But it is not easy to convince the natives that soil conservation is needed. As one official ruefully pointed out, "It's hard to explain to a man whose forefathers merely sought new pastures for their flocks when their own were exhausted that today he must himself settle down and help make that new pasture grow." The Service is constantly extending the scope of its operations. In 1946 it covered only 2,120 hectares; in 1949, 9,500. In total almost 20,000 acres of hillside have been terraced and planted with nearly 300,000 fruit trees. The Service is making a significant contribution to the future increase of Algerian production and to the basic natural wealth of the country.

The public services of irrigation, electrification, and water and soil conservation are among the most important benefits which the French occupation has brought to the Algerians. They are positive, long-range contributions to the standards of living of the Algerian people, and in their planning and operation they are a credit to the administration. There is, of course, the inevitable complaint that the native population is not allowed a part in the control or supervision of them but it is obvious that the technical competence required could be found in few native Algerians at the moment. The capital investment had to come from the government and much of that in turn from the French treasury. But the social gains from this investment accrue in large part to those whose land is irrigated and whose soil is conserved.

5

Any discussion of Algerian economic problems must eventually return to two pivotal points, land and population. Not only the fate of the Algerian economy but in a very real sense the fate of the French administration in Algeria will depend upon success in winning the race between greater agricultural

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production and the ever increasing number of mouths to feed. This whole problem is made the more acute in Algeria because of the relatively limited natural resources of the country. Unlike other world areas which suffer from overpopulation and underdevelopment, Algeria has few other resources with which to pay for the imported food necessary to feed a growing population. Exploration to the present at least has given little indication that there exist any major deposits of valuable metals which may be exploited. Despite its vast area, Algeria is, from the point of view of practical development, almost valueless below a point two hundred miles south of the coast. It is recognized, of course, that much of this area has not been thoroughly covered by geological survey but no indications have been found that such surveys would be worth while.

Industrialization in Algeria will be a slow and perhaps painful process. The accumulation of industrial capital requires at least some surplus in the economy and up to now that surplus has not been available. The end of the Second World War and the coming of American aid brought more capital for the purchase of machines and the setting up of factories, but even this was on a modest scale. It cannot be denied that competition with the markets of France has tended to retard the growth of Algerian industry, but even without this factor there would not have been extensive large-scale manufacturing. The lack of industry has proved a crucial problem in more than one way. Having no manufactured goods to sell abroad, Algeria has had to trade much-needed agricultural products. In addition to this, the urban factory, the normal outlet for surplus rural population, has been absent. The resulting increase of the pressure on arable land had tended to reduce the native standards of living, since the constant division of once adequate-sized native farms among many sons and grandsons has left many families with scarcely enough land to support even a subsistence standard.

The French administration has sought a way out of the circular problem of agricultural land, industrialization and population by concentrating its efforts on increasing the productivity of the land. The program extends from the vast irrigation dams and canals costing many billions of francs to aid to the indi-

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vidual native farmer by the local French *moniteur* of the Agricultural Service. To overcome native religious disabilities on the borrowing of money the ingenious coöperative-like systems of the SAR and the SIP have been organized. Under them the native farmer has at least had the way opened for him to change from the farming methods of his ancestors to modern means of cultivation. But it would be a mistake to assume that all the advances in method brought in by the French are welcomed by the Arab farmer. For a variety of reasons they have been strongly resisted, although only infrequently by violence.

Primarily, resistance came from the fact that they were brought in by the French in the first place. This distrust and suspicion of French motivation, however laudable and beneficial its action might be, meant that a new technique suggested by the *moniteur* was to be regarded with extreme suspicion and used only under pressure. Moreover the natural reluctance of the native farmer to change his habitual way of life, to work harder and with more care to produce a greater crop, is a factor which cannot be ignored. The average Arab or Kabyle farmer looks upon mechanization and scientific method as something which, in forcing him to change habits, might also force him to change beliefs and so undermine the whole fabric of the religion which so closely touches his daily life. Finally and perhaps most significant is the resistance stemming from the philosophy of the Muslim faith, particularly strong in rural areas where the incentives to greater material progress are less evident. It is the will of Allah that he be poor and there is no use resisting that will. The Western World finds it difficult to cope with such an attitude which can be changed only slowly and with extreme patience. The glowing rewards offered as incentives to change mean little or nothing; it can be brought about only by example and by conviction that these changes are the result of divine direction.

Continued economic progress in Algeria is dependent on outside aid, financial and technical. For reasons which have been outlined, there seems to be little prospect of substantial private investment in Algeria from French or foreign sources. The nationalist groups argue that France is preventing foreign invest-

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ment in Algeria because she wants it as a private preserve. While this may be in the minds of some Frenchmen, the fact of the matter is rather that France has little to do with the lack of foreign capital in Algeria. There is simply no incentive for it to flow in, because of the paucity of natural resources. Most of the capital needed today is government capital for social improvements, such as dams, electric power lines, roads and bridges. Without these, private capital will never show an interest in Algeria. The financing of these projects has been, in the past and to a large extent must remain in the future, the task of the French treasury. Although the Algerian government can bear a larger and larger share as time goes on, it will be long before the burden is entirely removed from French shoulders. This does not, of course, represent all loss to France; much of the investment will be realized in the increased flow of products to the markets of the *Métropole* and the long-run balance sheet cannot yet be drawn up.

It is doubtful whether Algeria will benefit from the underdeveloped areas program, whether administered by the United Nations or by the United States. Algeria is part of France and as such has received a certain share of the ERP allotment to France which has been put to good use in the agricultural field. While undoubtedly below the standards of development for an industrialized country, Algeria can hardly be regarded as a country in direct need of technical assistance for development, but rather only in need of funds. The French administration feels that it has ample technical specialists to plan an over-all program of technical development. More may be needed in the field to carry out the program but they can be perfectly adequately trained in the engineering schools of France. What cannot be hastened is the social and political education of the people as a means of slowing population growth; technical progress is merely a tool in the bringing about of the human revolution necessary to life in the modern state.

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RIBBENTROP AND THE GERMAN FOREIGN OFFICE

WHEN Joachim von Ribbentrop, the Foreign Minister of the Third Reich, returned to his Nuremberg cell on October 1, 1946 after hearing sentence imposed upon him by the International Military Tribunal, he stared at the wall and murmured, "Death! Now I won't be able to write my beautiful memoirs!" [1] On October 17, with ten others, he was hanged in the Nuremberg prison.

Diplomatic history thus was denied the *Erinnerungen* of Bismarck's most spectacular and unsuccessful successor. Moreover, unlike Goebbels, Ribbentrop kept no intimate diary during his term of office; and his distraught demeanor after arrest in 1945 rendered him incapable of greater literary efforts than scraps of confused apologia indiscriminately lavished upon prison attendants, interrogators and lawyers. Finally, the worst humiliation of all, his defense before the Tribunal was such as to evoke contempt even from his co-defendants, and failed even of that theatrical appeal which, for example, Goering had mustered.

The Nuremberg trial, its vast documentation, and the recent writings of diplomatic historians adequately have explained Ribbentrop's rôle as a world statesman. But other aspects of his career deserve deeper exploration. What was his rôle within the Nazi state, and what was his relationship to the German Foreign Office, which for seven years was subordinated to him?

Such questions puzzled even his closest collaborators as they were confined to their Nuremberg cells. Von Neurath, his predecessor, for example, declared to an Army interrogator in prison that "he simply could not understand" why Hitler had appointed Ribbentrop as Foreign Minister. Hans Frank complained that it was "a crime on Hitler's part to make that man Foreign Minister for a nation of seventy million people." Goering merely added, " Ach, Gott, it is sad, very sad."

[1] G. M. Gilbert, *Nuremberg Diary* (New York, 1947), p. 432.

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Of the principal defendants at the trial, Ribbentrop alone enjoyed no sympathy from his former collaborators. In the vast collection of memoirs and apologia produced by former diplomats of Nazi Germany, Ribbentrop serves the purpose of whipping boy for former German diplomatists now engaged in cleansing their own reputations before the bar of history.

I

On 4 February 1938—five years after Hitler's seizure of power, and five weeks before the seizure of Austria—Joachim von Ribbentrop at the age of 44 became Foreign Minister of Germany. This date is significant, for it marked Hitler's assumption of personal direction of both foreign and military policy in the Reich. Neurath was removed as Foreign Minister; von Blomberg as War Minister; von Fritsch as Commander-in-Chief of the *Wehrmacht*. Hitler personally replaced Blomberg, and in Neurath's stead put his own protégé, Ribbentrop. These changes were natural consequences of an earlier decision of Hitler: to embark finally on an "active" policy of German expansion and, if diplomatically obstructed, to be willing to involve the Third Reich in a major war.

Until this time the German Foreign Office's functions and its personnel had remained substantially unaffected by five years of National Socialist rule. Its "political" chief, Neurath, had been one of two pre-Nazi survivors in Hitler's Cabinet. Under his amiable and comfortable stewardship the diplomatic bureaucrats had weathered the new era with singular good fortune, when compared with that of other Reich agencies.[2] The rush for spoils of office, which had opened wide the gates of other Ministries to party stalwarts in 1933, had been diverted from the doorstep of the Wilhelmstrasse. The Foreign Office, which had not been "democratized" by the Weimar Republic, did not expect to be *gleichgeschaltet* by the Nazis.[3] As Paul Schmidt, Hitler's Foreign Office interpreter, later wrote: "Governments

[2] See H. Gerth, "The Nazi Party: Its Leadership and Composition", *American Journal of Sociology*, vol. XLV, 1940, pp. 517-541.

[3] In 1929, for example, 20 of the 43 German mission chiefs abroad belonged to the nobility. See *Jahrbuch fuer Auswaertige Politik*, Band I, 1929.

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went and came, Foreign Ministers changed, but for the German diplomatists such events signified no change in their fundamental task: to represent the Reich abroad." [4]

Pride of status was a formidable attribute of the Foreign Office. It could trace its proud antecedents back to the great Prussian civil service of Frederick William I. Its center of operations, the modest gray edifices of Wilhelmstrasse 74 and 76, had housed Prussian and German diplomatic functionaries for over one hundred years. The tradition of service to the state, rather than to ephemeral governments which moved on the surface of political life, was thoroughly ingrained in its officials. Ernst von Weizsaecker, Ribbentrop's State Secretary, explained to an American Tribunal at Nuremberg during his trial that "as a civil servant, one does not serve a constitution, but the Fatherland. One serves whichever government and constitution is given the country by the people." [5]

The Foreign Office was an important segment of the Reich civil service. In its *Zentrale*, were seven divisions (*Abteilungen*), with two additional specialized bureaus. Over fifty higher career officials (senior legation councillors or higher) worked in Berlin; while abroad, in fifteen embassies, thirty-six legations, and thirty-six consulates general and five hundred odd additional consulates, over three hundred additional career officials were employed. Rigid personnel selection qualifications made admission to the Foreign Service extremely difficult. As one quasi-official biographer of the German Foreign Service wrote in 1935: "It must not be forgotten that next to brains the two other 'b's' (breeding and bank account) have always played an important role in diplomacy, and will continue to do so." [6]

II

Hitler in 1933 deliberately had refrained from making drastic changes in this system. By 1938 all leading officials remained at

[4] Paul Schmidt, *Statist auf Diplomatischer Buehne, 1923-45* (Bonn, 1949), p. 560.

[5] U. S. v. Weizsaecker, *et al.*, English Transcript, p. 7595.

[6] Walter Zechlin, *Diplomatie und Diplomaten* (Stuttgart, 1935), p. 74. The German original text is: ". . . neben dem Gehirn auch die beiden anderen G's (Geburt und Geld) in der Diplomatie stets eine wichtige Rolle gespielt haben . . . ."

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their posts, except for those few who were Jewish, married to Jews, or who had retired under normal circumstances. For Hitler, an antediluvian Foreign Office and missions abroad had obvious advantages. Representing a respectable Germany to the outside world, the Foreign Office was inestimably better suited than such vulgar, obscurantist Nazi candidates who sought to supplant or penetrate it. German diplomatists were ambivalently regarded by Hitler with suspicion blended with respect. But his shrewd assessment of their technical value and their status in foreign countries gave to them an immunity not accorded to other categories of civil servants, except possibly the *Wehrmacht*.

Such considerations also largely can explain Hitler's long hesitation in selecting a loyal party man as his Foreign Minister. There is no doubt that in 1933 he briefly considered appointing Rosenberg to this post. But the likely consequences of such a drastic move were amply demonstrated in May of that year. On a "good will" trip to London as Hitler's personal emissary, Rosenberg was bitterly jeered and attacked, snubbed by the Prime Minister, and his swastika-draped wreath on the Cenotaph spirited away. On his premature departure, even the London *Times* chastised him for the banality of his utterances, his total ignorance of the English and of their language, and for his crude behavior generally. After this episode, Rosenberg was retired to the obscurity of his N.S.D.A.P. (Nazi party) *Aussenpolitisches Amt* (Foreign Policy Office), there to engage in petty intrigues and preposterous projects, to the ill-concealed pleasure of the Foreign Office bureaucracy.[7]

Ribbentrop's rise to favor with Hitler dates from this time. Significantly, he possessed superficially precisely those qualities which the London *Times* had found wanting in Rosenberg. Two years' experience in Canada before the First World War, added to his wide travels in his champagne business, had given

[7] For comments on Rosenberg's trip, see the London *Times*, 15 May 1933. An official account of the A.P.A.'s subsequent activities, up to October 1935, may be found in Document PS 003, *Nazi Conspiracy and Aggression* (Washington, 1948). Among A.P.A. projects were the "influencing of British cabinet changes"; the "orienting" of the Duke of Kent to convey the meaning of National Socialism to the King, and so on.

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him a knowledge of English and an entry into quasi-official circles of the Western World. Among such personalities as Roehm, Hess, Goebbels and Streicher, these were no mean accomplishments.

Ribbentrop's rise to power was rapid, but in no way did it parallel that of other Nazi chieftains. He had joined the party too late (1931) to be credited as an *Alter Kaempfer* (old fighter), and his relation to party circles was anomalous from the beginning. He was not an ideologist like Rosenberg; his reputation, unlike that of Goebbels, came from no Jesuitical intellect; nor did his talents include such technical skills as accounted for the rise of Speer or the long retention of Hjalmar Schacht. He had little organizational ability, and his personality evoked no such fanatical loyalty from subordinates as did that of the quiet schoolmaster, Himmler. To the party, he was not a party man. As late as 1935, he was ostentatiously excluded from the party's Who's Who, the *Fuehrerlexikon.*

In Foreign Office circles, on the other hand, Ribbentrop by 1933 already had been typed as a social climber and dilettante. A dealer in wines, he had dabbled in the cosmopolitan life of Berlin by means of lavish entertainment which, while designed to advance his business and social standing, had failed to bring much success in the latter field. His dubious claim to aristocratic title—acquired under circumstances which Ribbentrop assiduously sought to camouflage, even in his S.S. files—generally was treated with contempt.

In brief, Ribbentrop was a personal favorite of Hitler himself. His capacity for "flinging thunderbolts of flattery" at Hitler, "without turning a hair", his mawkish and opportunistic aping of Hitler's own ideas, were character traits which persisted throughout their long association, and have been adequately described elsewhere.[8] Further, there were sentimental attachments. Ribbentrop's fashionable Dahlem villa had been Hitler's schooling ground in the ways of cosmopolitan Berlin society. Under the charming tutelage of Frau von Ribbentrop, Hitler

[8] See André François-Poncet, *The Fateful Years* (New York, 1949), p. 232; also Paul Schwartz, *This Man Ribbentrop* (New York, 1943), and Erich Kordt, *Nicht in den Akten* (Stuttgart, 1950).

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had even been taught appropriate table manners. As Ribbentrop boasted in his 1935 *Wer Ist's* biographical sketch, the villa occupied an honorable niche in Third Reich history: there, in 1932, Hitler and von Papen had come face to face to strike the unholy bargain which helped bring the Nazis to power.[8a]

If Hitler could not dispense with the German Foreign Office, he had no intention of becoming dependent upon it. Shortly after the seizure of power Ribbentrop became special adviser to the Fuehrer on foreign policy matters. With a picked staff of amateur diplomats he moved into the former offices of the Prussian Minister President, across the street from Wilhelmstrasse 76. From 1934 until 1938 the so-called *Buero Ribbentrop* acted as Hitler's other ear and other hand. What the Foreign Office could not, or would not, do, the *Buero* undertook. Furnished with lavish funds from Hitler's personal treasury, the files and libraries of confiscated pre-Nazi foreign policy institutes, and an enormous staff of specialists, the *Buero* rendered the Chancellor relatively independent of technical advice from the Foreign Office. Here were nourished such later figures of Nazi diplomacy as Otto Abetz (the wartime "Ambassador" to Occupied France), Baron von Steengracht (later State Secretary), and the notorious *eminence grise* of the Foreign Office's *Abteilung Deutschland*, Martin Luther.

Before 1938 the *Buero* and Ribbentrop operated with virtually complete independence of the Foreign Minister. Ribbentrop chose to regard his various official appointments (Commissioner for Disarmament Questions, Ambassador at Large, and Ambassador to Britain) as personal perquisites from the Chancellor himself, and recognized no discipline from the Wilhelmstrasse. While Neurath's State Secretary, von Buelow, managed to attach a trusted career diplomat to Ribbentrop's staff, he succeeded in becoming nothing more than a passive observer and messenger boy. In 1935 when Ribbentrop headed a German

[8a] A first meeting, of course, took place in the home of the Cologne banker, Baron von Schroeder. But Ribbentrop characteristically claimed all the credit. His *Wer Ist's* sketch modestly notes: "Through his intermediation . . . at this time . . . the Hitler government was formed; the decisive meetings took place in his [Ribbentrop's] Berlin-Dahlem home." *Wer Ist's* (1935 ed.).

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delegation to London for talks which culminated in the Anglo-German Naval Agreement, he excluded the accredited Ambassador, von Hoesch, from the talks and refused even to inform him of the day-to-day progress of negotiations. Later, while Ambassador to Great Britain, he concluded the Anti-Comintern Pact with Japan, keeping details of it from the Foreign Office until the last minute. Von Dirksen, the Foreign Office's Ambassador to Tokyo, discovered during his leave of absence in Germany that summer that "no one in the Foreign Office knew of the affair," even though rumors of it were widespread in Japan. Only through the Japanese Ambassador Mushakoji did he get a full account of the negotiations. Approaching Ribbentrop on the subject he met only with suspicious reticence.[9]

Although the comparison is invidious, Ribbentrop's relation to his Fuehrer and to the regular diplomatic service bore marked resemblance to that of Harry Hopkins toward Roosevelt and the State Department during World War II. While a term like "Lord High Root-of-the Matter" unquestionably is too salubrious for Ribbentrop, he was nevertheless an alter ego of his chief, unencumbered by the troublesome red tape of bureaucracy. As such, he incurred the everlasting enmity of the diplomatic bureaucracy.

III

After Ribbentrop energetically assumed leadership of the Foreign Office in 1938, the diplomats soon acquired the appropriate manifestations of National Socialist severity. *Sturm Abteilung* guards took over the security watch of Wilhelmstrasse buildings. By decree in 1938 the black frock coat customary to post-war German diplomats was cast off for more martial garb: a dark blue uniform with gold buttons, arm insignia, oak-leaf clusters and dagger, designed by a prominent Berlin tailor under the watchful eye of Frau von Ribbentrop. Polite but incessant urgings of *Gauleiter* Bohle, the party Chancellery's watchdog over

[9] Schwartz, *op. cit.*, pp. 125-127; also Herbert von Dirksen, *Moskau-Toyko-London* (Stuttgart, 1949), pp. 184-185. Ribbentrop's successful handling of the London naval talks came as a shock to some Foreign Office officials who anticipated that his failure would disabuse Hitler of the value of amateur diplomats.

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Foreign Office behavior, began to bear fruit. Most of the higher officials in the *Zentrale* belatedly sought party membership. Ernst von Weizsaecker and Ernst Woermann, State Secretary and Under State Secretary, joined both the party and S.S. Friedrich Gaus, the elderly legal technician and former collaborator of Stresemann, expressed new-found joy upon receiving a requested signed photograph of Hitler. To the latter he wrote: "It moved me to my very depths, my Fuehrer, to receive this high token of your esteem from you at such an important time. I regard it as the crowning honor of my career." [10]

But the new Foreign Minister had no intention of serious house cleaning. Officials rising through the permanent bureaucracy continued to occupy the most important posts in the *Zentrale* and in missions abroad. A study of the Foreign Office structure as of 1 March 1938 shows that, in the seven chief Divisions, two pre-Nazi directors still retained their posts, while directorships vacated by the five others (due to transfer abroad or retirement) had been filled by subordinate career officials coming up through normal channels. While in Weimar days the Reich frequently had been represented abroad by party politicians, this task by 1938 had reverted exclusively to the bureaucracy. Dirksen, Schulenberg, Dieckhoff, Mackensen, Welczek and Stohrer, all "antediluvian" diplomats, were in charge of German Embassies in London, Moscow, Washington, Rome, Madrid and Paris. Excepting Hassell, whose ill-concealed aversion to Italo-German *rapprochement* brought him into disfavor, no important chief of mission came under the axe in 1938. Only in Japan, was a careerist, Dirksen, supplanted by an outsider, General Ott. But since Ott belonged to the oppositional element in the *Wehrmacht*, this change was not significant.

Ribbentrop's attention in 1938 was directed at more pressing problems than that of Foreign Office reform. The tempo of diplomacy had measurably quickened, leaving little time for personnel matters. But also, from all sides, appeared powerful competitors for control of Germany's foreign policy. Goebbels,

[10] Office of Chief of Counsel for War Crimes, Document NG 3785, Gaus to Hitler. Weizsaecker joined the party in April 1938.

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Goering, Hess and Himmler, all enjoyed in their own right powerful status near the Fuehrer; and Ribbentrop found himself in danger of being victimized by the same sort of tactics in which he himself had indulged while Neurath was Foreign Minister. By 1938, modifications of Reich civil service laws had already vested in Rudolf Hess's party Chancellery a veto power over the selection and promotion of higher Foreign Office officials. After 30 January 1937 Rudolf Hess's deputy, E. W. Bohle, had occupied in the Foreign Office a post coördinate with that of the permanent State Secretary.[11] Not only as Hess's *Gauleiter* charged with supervision of all N.S.D.A.P. members abroad, but also as *Leiter* of party members within the diplomatic service, Bohle occupied an anomalous position in the Foreign Office. His party functions were not subject to the Foreign Minister's control. Legally and politically Bohle epitomized the party threat to Ribbentrop.

Indeed it was considerations such as these which led Ribbentrop, in one of his first administrative acts as Foreign Minister, to align himself with the career bureaucrats. Neurath's removal as Foreign Minister had logically resulted in the resignation of his son-in-law, Mackensen. Thus the post of State Secretary was vacated, and Ribbentrop was faced with the choice between the party and bureaucracy in filling it. He elected for the latter, without hesitation. Ernst von Weizsaecker, the former Minister to Norway, and *Leiter* of the Political Division under Mackensen, was chosen. "Can he take orders?" Ribbentrop inquired of one of his confidantes. And the latter extolled Weizsaecker's exemplary record as naval officer during the World War to buttress his claim.

But the omnipresent threat of *Gauleiter* Bohle was not confined to the Wilhelmstrasse. Abroad, the members of his *Auslandsorganisation* (A.O.) engaged in an unremitting struggle with Ribbentrop's mission chiefs. This organization, known

[11] See "Decree Concerning the Participation of the Deputy to the Fuehrer in the Appointment of Officials", *Reichsgesetzblatt*, vol. I (1935), p. 1203. Bohle was named Chief of the *Auslandsorganisation* in the Foreign Office by decree, 30 January 1937. While "directly subordinate" to the Foreign Minister as far as his Foreign Office activities were concerned, his party activities were not affected by the decree.

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originally as *Gau Ausland* of the party, until 1933 had engaged chiefly in tasks of recruiting, organizing and disciplining party members abroad. After Hitler's seizure of power had united party and state, the *Auslandsorganisation* broadened the scope of its activity. It became the "guardian" of all Reich nationals abroad, regardless of party membership. A vast panoply of *Landesgruppen* and *Ortsgruppen* (Country and Local Groups) sprang up in all parts of the world. Ambitious party functionaries in German colonies abroad sought to institute a régime of terror patterned on that prevailing in the Reich proper. They seized control of patriotic groups, terrorized nonconformists and ceaselessly persecuted Jews of German nationality. Party members were organized into para-military cadres subject to strict control from Berlin.

In areas such as Spain and Central Europe, A.O. *Landesgruppen* could and did perform useful political and espionage functions without unduly conflicting with official Reich policy. But in the Western Hemisphere, especially, serious quarrels developed between party functionaries and German diplomats who feared that such blatant activities would damage Germany's political prestige and her commercial position. Not until Rudolf Hess's flight in May 1941 had cast a blight upon all his deputies, were Ribbentrop and his Foreign Office successfully able to conspire against Bohle, and join cause with Himmler to clip the wings of their mutual competitor.

If Ribbentrop joined with his Foreign Office to strike back at incursions of the party Chancellery and *Auslandsorganisation* in foreign policy, his struggles elsewhere were equally intense. From 1938 through 1945 a running gun battle reverberated along the Wilhelmstrasse between the Foreign Office and Goebbels' *Propagandaministerium*.

This jurisdictional struggle also was a legacy from Neurath. After 1933, when the Propaganda Ministry was established, Goebbels assiduously sought to shear from the Foreign Office all press and propaganda functions. His pressure on Hitler to have Neurath's Press Division dissolved and its remnants digested in his own Ministry were not entirely successful. Neurath had

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raised violent objections. Hitler, in a characteristic compromise, decided on 24 May 1933 that henceforth Goebbels would be charged with only the "aggressive" aspects of foreign propaganda work, while the Foreign Office would retain its cherished Division in order to express "traditionally" official Reich policy in more discreet manner.[12] Like most compromises between aggressive, expansive agencies and antiquated agencies, the agreement at best only retarded logical developments. By 1938, the Foreign Office's Press Division under its *Leiter*, Aschmann, had been reduced to little more than a liaison with the powerful *Reichspressechef*, Otto Dietrich, who had succeeded in monopolizing all of the German news services.

Unlike Neurath, Ribbentrop aspired to parade himself as a peer of Goebbels in the art of propaganda. Among the baggage transferred from his *Buero* to the Foreign Office came a host of mediocre retainers who subsequently were installed in prominent Foreign Office posts as specialists in Nazi jargon and opinion manipulation.

In 1939 the long-time chief of the Foreign Office's Press Division, Aschmann, relinquished his post to a protégé of Ribbentrop's *Buero*, Paul Karl Schmidt, a one-time Nazi *Kreisredner* (propaganda speaker) and student agitator. An amiable old school friend of Ribbentrop, Likus, likewise with no previous diplomatic experience, emerged as special consultant on propaganda matters. By 1941 Schmidt's Press Division had swelled to great proportions, with fourteen sections including area desks and functional agencies which competed directly with the Propaganda Ministry.

In September 1939, yielding to Ribbentrop's incessant urging, Hitler promulgated an "arbitral award" defining the boundary between Goebbels' and Ribbentrop's respective satrapies. The decree was a substantial defeat for Goebbels. Henceforth, the Foreign Minister was authorized to make known his "wishes and instructions" to Goebbels and to appoint liaison officers with the

[12] See NG 4272, Minutes of Ministry Chiefs Conference, 24 May 1933. On 30 June 1933 the Propaganda Ministry took control from the Foreign Office over German news services and propaganda abroad. See *Reichsgesetzblatt*, vol. I (1935), p. 449.

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Propaganda Ministry. Goebbels was required to accept and duly broadcast or publish the written outpourings from Ribbentrop's inventive mind. "Once and for all," the decree concluded, "I forbid differences of opinion to be brought to my attention without both gentlemen reporting to me about them together." [13]

The battle, however, went on. In 1940 Ribbentrop recaptured Foreign Office control over press attachés in missions abroad, who previously had been under Goebbels' direct control. For several months during the war he even broke Dietrich's press service monopoly by establishing a *Transkontinent Press* agency serving Southeastern European newspapers. A struggle over the handling of foreign correspondents in Berlin raged unceasingly.

Later, during the war years, Goebbels gave vent to his abused sensibilities and filled his diary with tirades against Ribbentrop's predatory struggle for "competence". On 14 November 1943, for example, Goebbels wrote:

> I had a heavy set-to with Ribbentrop about our propaganda section in France. Ribbentrop claims that France must be regarded as a foreign country and not as a defeated state because it has a chief of state and a prime minister. Consequently only the Foreign Office has a right to political activity there. . . . Ribbentrop is trying to solve this situation by a *fait accompli* of by-passing the Fuehrer. But I shall under no circumstances agree to this. It is amazing with what fanaticism the Foreign Office and especially Ribbentrop deal with questions of such subsidiary importance.[14]

These wrangles were merely symptomatic of much bigger headaches. "My Foreign Office", Ribbentrop lamented in captivity after the war, "was called the House of Difficulties." [15] Steengracht, who in 1943 succeeded Weizsaecker as State Secretary, testified at Nuremberg that at least sixty per cent of Rib-

[13] NG 2943, Hitler Decree of 8 September 1939.

[14] *The Goebbels Diaries*, edited by L. P. Lochner (Garden City, 1948), entry for 14 November 1943. A later entry, 9 December 1943, notes that Hitler had raged insultingly at Ribbentrop about the matter.

[15] *Nazi Conspiracy and Aggression*, Supplement B, p. 1182.

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bentrop's time during the war was occupied with inter-agency squabbles. Walter Hewel, the Foreign Minister's permanent liaison officer at Hitler's headquarters, has reported a caustic remark of the Fuehrer that, if Ribbentrop had had his own way, even the Reich transportation system would have come under Foreign Office control since, after all, "German railway offices sold tickets valid on railroads outside the Reich." Once adept at the art of subterfuge, Ribbentrop ruthlessly struck out against even casual competitors in his field. He grew obsessed with fear that he or his Ministry, or both, would fall from favor, and undertook to be constantly at Hitler's side, thus absenting himself for long periods from Berlin.

Moreover, Ribbentrop sought to insulate both himself and Hitler from reports of ambassadors, German or other, which were at variance with his own judgments. During the Sudeten crisis in the summer of 1938, Dirksen returned from London carrying to Hitler a personal letter from Chamberlain cautioning Hitler to moderation. Dirksen cooled his heels for weeks before he succeeded in delivering it. Such an appeal to the Fuehrer over his Foreign Minister's head brought storms of protest from Ribbentrop. Through Undersecretary of State Woermann, the British Ambassador was given to understand that "the Minister had been greatly upset" and "hoped that such a course would be avoided in the future." [16] Henderson's own efforts to convey to Hitler a correct report on the state of British public opinion came up against the stone wall of Ribbentrop. Weizsaecker, whom Henderson approached on the matter, refused to handle it upward except through his Minister. "Will it then . . . get any further?" Henderson anxiously inquired. The State Secretary merely retorted, "I must be loyal to my chief." [17] Henderson, in an exasperated despatch to Foreign Secretary Halifax, inveighed against the ring of silence which he felt Ribbentrop had built around his master. "How", he wrote

[16] Henderson to Halifax, 13 August 1938, *Documents on British Foreign Policy*, edited by E. L. Woodward and Rohan Butler (London, 1949), 3d Series, vol. II, p. 91.

[17] Henderson to Halifax, 30 July and 23 August 1938, *ibid.*, p. 21.

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on 23 August 1938, "can one play chess with a man who insists on moving his knight like a bishop?"

IV

The World War which began on 3 September 1939 created an insoluble dilemma for Ribbentrop personally. One determinant of Hitler's decision to attack Poland had been the Foreign Minister's rigid insistence upon the unwillingness of the Western Powers to strike back. Their failure to live up to his personal expectations had struck a hard blow at Ribbentrop's prestige. Among party leaders, Ribbentrop, not Hitler, was blamed for this catastrophe. As the war progressed, there came the gradual realization that a German defeat, or a negotiated peace with undefeated Western Powers, would require his departure as Foreign Minister. During the winter *Sitzkrieg* of 1939-1940, his Secretary of State, Weizsaecker, pressed this view in privately whispered talks. Later, Goebbels, Bormann and Goering came to recognize the liability of retaining him. Such prospects came to haunt the Foreign Minister increasingly. In the winter of 1944, Ribbentrop sharply ordered discontinuance of preliminary peace feelers in Madrid upon learning of Allied insistence on Hitler's removal as condition for further talks. To Paul Schmidt he confided, "I shall probably be removed from office also. That is not possible under any circumstances." [18]

But if total defeat held such prospects, so did total victory. The lightning successes which by the winter of 1941 stretched the *Wehrmacht* from the Pyrenees to the Volga seemed to the Foreign Minister a virtual invasion of his domains; for, where German arms moved, the diplomats retreated. After Poland's disappearance as a sovereign state in October 1939, the Foreign Office was excluded from Polish affairs. In April 1940, Hitler became angered by failure of the diplomats to persuade King Haakon to remain titular head of a Quisling government, and

[18] Schmidt, *op. cit.*, p. 575. For Weizsaecker's comments see *The von Hassell Diaries* (Garden City, 1947), 14 February and 29 April 1940. Goebbels, on 30 November 1943, wrote in his Diary that "Ribbentrop would not be able to negotiate either with London or with Moscow should such an eventuality arise. Both sides consider him too heavily compromised."

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ordered immediate and permanent evacuation of Foreign Office representatives from Norway. The occupation of the Low Countries brought similar developments. After Hitler's decision to attack the Soviet Union, he conferred full powers upon Alfred Rosenberg as Minister for Occupied Eastern Areas, and Rosenberg avenged previous humiliations by excluding Ribbentrop's Foreign Office from all responsibility for Russian affairs. In Occupied France, where Ribbentrop's "Ambassador", Otto Abetz, remained as a symbol of Hitler's regard for French sensibilities, ceaseless conflicts raged between him and other Reich agencies. Until 1943, Ribbentrop retained tenuous authority in Denmark since the Reich Ambassador there nominally was subordinate to him. But even this thread was finally snapped in 1943 when Hitler ordered intensification of terrorism and supplanted Renthe-Fink with Himmler's henchman, Werner Best. In the summer of 1941 Ribbentrop confided fearfully to his one Foreign Office intimate, Friedrich Gaus, the inescapably logical consequence of German world supremacy: Hitler would need no foreign minister.[19]

Already the Fuehrer had cast aspersions on Ribbentrop's diplomats. As country after country entered the war against the Axis, or was defeated, the use of diplomacy diminished. Angered by an accumulation of grievances, Ribbentrop in 1941 petulantly offered to quit.

> I had a great deal of difficulty, [he later told an American official] and I asked to resign, and the Fuehrer had accepted my resignation, but then after he had—he was not well—and so I asked him personally to take back the resignation. . . .
>
> Q. What do you mean, "he was not well"?
>
> A. He asked me then—he was not very well with his head. He had something—he asked me whether I wanted to—I was his most difficult subordinate . . . , and that I hurt his health, and so on; and so I was very much moved, and I asked him personally to take back the resignation, and so I stayed in office.[20]

[19] See Gaus affidavit on Ribbentrop, NG 4556.

[20] Jackson Interrogation of Ribbentrop, *Nazi Conspiracy and Aggression*, Supplement B, p. 1229. See also E. W. Gilbert, *The Psychology of Dictatorship* (New York, 1950), pp. 190-191.

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Ribbentrop was ill for some time following this scene. The offer was never repeated.

As though these worries were not enough, danger signals appeared from another quarter, the Gestapo and S.S.

Before the war, Ribbentrop's relation to Himmler, while not frictionless, had been friendly, close and mutually profitable. Outside of the foreign policy complications occasioned by Himmler's zealous inability to discriminate between Jews of foreign and Reich nationality in his persecutions, collaboration between the two proved worth while. The Foreign Office aided Himmler's subversive and espionage activities abroad with subsidies, and in return received highly valued intelligence reports. Some of Himmler's early diplomatic incursions—the abetting of the Japanese General Oshima's fruitless efforts to assassinate Stalin and to send propaganda-laden balloons into the U.S.S.R. from his secret farm—were doubtless discreetly kept from Ribbentrop. But liaison was close. In 1938 one of Ribbentrop's first administrative changes in the Foreign Office was to create a *Referat Partei* (special party section), through which he could deal with party agencies, the *Reichssicherheitshauptamt* in particular. This section Ribbentrop entrusted to a qualified acquaintance, one Martin Luther, a business man with a criminal record.

Liaison with Himmler and the S.S. proved to be an extremely important occupation. Luther advanced quickly up the rungs of the Foreign Office hierarchy. A Senior Legation Counselor in 1938, he had become Minister First Class by 1941, and Undersecretary of State by 1942. His *Referat Partei* swelled to such size that, by 1941, it was changed into a Division, the *Abteilung Deutschland*. With skill and relentlessness Luther managed the Foreign Office's cloak-and-dagger work and such other nefarious activities as could not safely be entrusted to old Foreign Office hands. Negotiations with satellite states for deportation of Jews, plans for political assassinations, the shooting of hostages, were handled in Luther's office with appropriate Reich agencies and foreign governments.

As the war progressed Himmler's state-within-a-state sprawled, octopus-like, over the European continent; its invis-

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ible tentacles stretched into neutral countries as well. "Police attachés" and espionage agents, owing allegiance to Himmler's *Reichssicherheitshauptamt* (R.S.H.A.) were installed in German missions abroad. By October 1943 there were seventy such officials in German missions to neutral or unoccupied countries. Nineteen were in Spain alone, disguised variously as trade, cultural or "scientific assistants". Local espionage and sabotage networks came under their supervision. In 1941 Himmler and Ribbentrop jointly agreed that "illegal" activities of such agents would be kept from the scrutiny of diplomatic mission chiefs, under the condition that all "political activities" of S.S. men should be strictly interdicted.[21]

Inevitably the Himmler-Ribbentrop coalition loosened. The police attachés' espionage activities moved into Ribbentrop's "political" field. In reports back to R.S.H.A. they took to denouncing Ribbentrop's diplomats. The obscure foreign activities of R.S.H.A.'s *Amt VI* (Intelligence Division) began to alarm the Foreign Minister. He developed a fear of being shut out of the task of foreign intelligence reporting. From 1941 he sought, by means of minutely worded "treaties" with Himmler, to check this spreading virus. But scraps of paper failed to stop its rapacious growth.

Disagreements between the two agencies lay not in the realm of substantive policy, but in that of tactical operations. Ribbentrop endorsed Himmler's espoused program of liquidating the Jews and, in broad measure, his terroristic suppression of resistance groups: *as long as the Foreign Office was consulted and allowed to participate.* Espionage and subversion were tolerable in principle as long as Himmler's agents accepted nominal authority of Ribbentrop's mission chiefs and kept Ribbentrop fully informed. Ribbentrop's petty contest for the outward show of power infected his subordinates. Joint Foreign Office-S.S. secret planning to assassinate the imprisoned French General, Mesny, almost broke down in 1944 over disagreement between Ambassador at Large Ritter and Himmler's Kaltenbrunner as to

[21] For data on Himmler's police attachés and text of Himmler-Ribbentrop agreement, see NG 4852.

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which of them was of higher rank and thus entitled to be visited by the other to discuss the affair. Valuable intelligence feats, such as Moyzisch's "Operation Cicero", were pigeonholed arrogantly by Ribbentrop, chiefly because Himmler's *Amt VI* took credit for them.[22]

As Himmler's star rose, Martin Luther's power within the Foreign Office gravitated to it. While Luther originally was detested by the permanent bureaucracy as Ribbentrop's evil personification, he entered the S.S. orbit, to be held in terror by Ribbentrop himself (since Luther elected to inform not only on the treasonable mutterings of his associates, but on Ribbentrop's own foibles).

Luther finally overstepped his bounds. Early in 1943, he sought to persuade Himmler of Ribbentrop's insanity and of the need to find a successor (possibly Werner Best, a long-time henchman of Himmler). This act of flagrant disregard for the *Fuehrerprinzip* shocked even Himmler, who personally divulged the entire scheme to the horrified Foreign Minister. In a small-scale emulation of Hitler's own purges, Ribbentrop struck back ruthlessly, his scythe cutting in all directions to disguise his major target. On or around 1 March 1943 Luther mysteriously disappeared; his *Abteilung Deutschland* was dissolved, and Ribbentrop instituted a thoroughgoing house cleaning. Weizsaecker, the State Secretary, and Woermann, his deputy, while in no way implicated, were exiled to diplomatic posts in the Vatican and China, respectively. The former's place was filled by Baron von Steengracht, a spineless favorite of Ribbentrop whose rapid Foreign Office rise was attributable to an ambitious wife and his own innocuous rôle as protocol attendant on the Foreign Minister's wanderings. A new party agency, *Inland*, rose on the ashes of Luther's vanished office under the direction of a former sports instructor, Horst Wagner. Totally depend-

[22] See L. C. Moyzisch, *Operation Cicero* (New York, 1950). As a Himmler agent camouflaged in Papen's Embassy in Ankara, Moyzisch managed to procure numerous top secret documents from the British Embassy, including minutes of the Teheran Conference. For such efforts Moyzisch was rewarded with abuse from the Foreign Minister for interference in "political" matters. See also NG 4852, Reich Foreign Minister to Papen, 17 June 1944.

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ent like Steengracht upon Ribbentrop's continuing favor, Wagner and bureau henceforth were directly subordinated to the Foreign Minister himself, not to the State Secretary.

These appointments symbolized the increasingly modest rôle of the Foreign Office in the Third Reich. Germany by 1943 was diplomatically isolated from all but a handful of neutrals and a court of vassal emissaries; the usefulness of a Weizsaecker as a "shock absorber" between his insolent chief and foreign diplomats no longer was required. Now a conductor was needed, to carry to the Foreign Office the electric charges from Ribbentrop's imaginative mind.

V

"Ribbentrop", Hassell wrote in his Diary on 20 April 1943, "has now become completely rabid. He hates the entire old Foreign Office." To Hassell, the conspirator, the latest Foreign Office changes seemed to be a "blow against the old officialdom." [23] But, if a blow, it was only a glancing one. Hassell anticipated that the empty offices now would be filled with Himmler men, and in this he was mistaken. Ribbentrop, it is true, for several years had sought young S.S. men for Foreign Office duty. But he never made the foolhardy gesture of supplanting his top officials with Himmler protégés. The consequences of such a step could be judged in those diplomatic missions abroad where former Himmler men, now diplomatic representatives, frequently forgot that they had switched masters, and continued taking orders from the *Reichssicherheitshauptamt* rather than the Wilhelmstrasse. As much as Ribbentrop may have desired to appease Himmler, he never allowed a prominent S.S. personality to occupy a Foreign Office post in Berlin.[24]

[23] *Hassell Diaries*, 20 April 1943.

[24] Ribbentrop offered on 6 June 1942 to make a deal with Himmler: for every 10,000 *Waffen*-S.S. volunteers the Foreign Office could round up in occupied areas, Himmler should make available 10 young S.S. men for diplomatic service. Ribbentrop complained that previous Himmler promises to turn over personnel had, "like Dr. Ley's Volkswagen, up to now remained purely platonic. Since my appointment as Foreign Minister I have not received a single co-worker from S.S. ranks." NG 3648, Ribbentrop to Himmler, 6 June 1942.

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Quite the contrary. After the March 1943 "purge", old Foreign Office hands continued to serve as *Leiter* of the crucial divisions: Personnel and Administration; Political, Economic and Legal Affairs. While the decree which dissolved Luther's *Abteilung Deutschland* shook up the entire Foreign Office propaganda, "cultural" and party liaison offices, it in no way diminished the scope of the "traditional" Divisions' functions. And, by April 1943, all but two of the Divisions which had existed prior to 1938 were still in the hands of the "old men". The other two were filled by the Foreign Minister's own protégés.

Organizational changes since 1938 reflected Ribbentrop's own proclivity for " propaganda diplomacy ". A vast and loose undergrowth of *Informationsstellen* and *Nachrichtensstellen* had flourished around this core. But the core remained, nevertheless. The old men could stay in their offices, or be retired and replaced by careerists of the same caliber and background, while the "activist" jobs requiring imagination Ribbentrop reserved for his own pupils. In his decree of 25 March 1943, the Foreign Minister now reflected mistrust even of them. Henceforth, he ordered, "the direction of foreign propaganda is reserved exclusively for the Foreign Minister." His new State Secretary, Steengracht, assiduously sought to carry out his master's will. Group *Inland,* the successor of Luther's *Abteilung Deutschland,* was given such imaginative tasks as "creating agitation in America", "staging a spectacular trial of American bomber airmen", and inspiring non-German Europeans with a horror of Communist lootings after a German evacuation. An *Anti-Juedische Aktionsstelle* (anti-Jewish Action Section) was established in 1944 "to intensify the anti-Jewish information abroad." All missions were instructed immediately to appoint *Judenreferenten* (Jewish Specialists) to participate in this work. The job of coördination in the *Zentrale* fell to Minister Schleier, a former party agent in France. Steengracht's daily departmental conferences became dominated to a great extent by purely propaganda questions, in conformity with the Foreign Minister's own tendency to identify foreign policy with foreign propaganda.

Plus ça change, plus c'est la même chose. As *Gauleiter* Bohle

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ingratiatingly wrote Himmler late in 1944, much still was left to be desired of the old Foreign Office hands. Of the six hundred and ninety higher officials in the Wilhelmstrasse and in missions abroad, wrote Bohle, ninety per cent still claimed affiliation with Evangelical or Catholic faiths. The remainder, he added, were "predominantly younger officials who have entered the service in recent years, either from Hitler Youth or other party organizations." "It is indisputable", he concluded, "that these [religious] connections among our Foreign Office officials lead to a considerable weakening of their ability to perform during a crisis." [25]

VI

As 1943 drew to a close, Hitler's armies were in full retreat in the East. At Teheran and in London, invasion plans for the western part of *Festung Europa* matured. A dark period for the diplomats began. In November, a British raid on Berlin struck Wilhelmstrasse 74, burning it down to the first floor. "The sparkling chandeliers", wrote Paul Schmidt, "became dripping fountains when it rained or snowed; buckets of water stood on the thick carpets; the cold penetrated our poorly repaired windows. We worked in our hats and coats." [26] Later raids ground the ancient Foreign Office buildings into ash heaps. One by one, Foreign Office divisions were evacuated to the relative safety of Bavaria and Thuringia.

But Ribbentrop and his *Ministerialbuero* stayed on, almost until the last. As his buildings disintegrated, so did his prestige at Hitler's court. Spectators at the Fuehrer's headquarters on 20 July 1944 recalled Ribbentrop's humiliation in the agitated scene following the attempt on Hitler's life. When Goering attempted to strike him with his Field Marshal's baton, Ribbentrop had dodged and cried, "I am *still* Foreign Minister and my name is *von* Ribbentrop!" [27] In December 1944, Hitler, through Lammers, ordered Ribbentrop to dismiss a hundred and

[25] Bohle to Himmler, 25 September 1944, NG 4972.

[26] Schmidt, *op. cit.*, p. 558.

[27] H. R. Trevor-Roper, *The Last Days of Hitler* (New York, 1947), p. 32.

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fifty higher Foreign Office officials.[28] As Ribbentrop later recalled, Hitler "wanted the office to be quite small and me at the head of it only as a sort of body which was to advise him or to be ready for diplomatic missions." "That", he complained, "was the whole conception of the Fuehrer of my Foreign Office."

His health failed. In the summer of 1943 he suffered a severe pneumonia attack. Headaches, neuralgia pains and insomnia beset him increasingly. Interrogated after capture, Ribbentrop attributed serious mental lapses to the aftereffects of four years' recourse to sleeping tablets.

Yet nervous energy carried him on. To Count Bernadotte, visiting Berlin in February 1945, the Foreign Minister managed to deliver his customary hour-and-a-half monologue, tediously dwelling upon the common threat of Bolshevism to the peoples of Europe and his willingness to see it prevail rather than to tolerate Germany's surrender.[29] But finally, as Russian troops moved on Berlin, he ordered evacuation of his *Buero* from the capital, on 14 April. Schmidt, his *Buero* chief, departed southward for Garmisch, and Ribbentrop himself disappeared westward, declining the opportunity to join the Fuehrer's *Götterdämmerung* in the Chancellery ruins. Hitler, in his Last Will and Testament, did not overlook this act of desertion. Naming Doenitz his own successor, he appointed Schwerin von Krosigk Foreign Minister.

On 16 June 1945 Ribbentrop was found living with a divorcee in a Hamburg flat, and was arrested by British soldiers. But, by then, both his job and the Third Reich no longer existed. The task of managing German foreign policy had devolved upon other—non-Reich—agencies.

VII

Under Joachim von Ribbentrop the German Foreign Office did not "revolt". As an institution of the Third Reich it collaborated until the end. In this it was no exception to the rule

[28] Lammers Memorandum of 13 December 1944, NG 3876.

[29] Count Folke Bernadotte, *The Curtain Falls* (New York, 1945), pp. 31-40.

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in Nazi Germany. Nevertheless, unlike other parts of the Reich civil service, the Foreign Office never became fully *gleichgeschaltet*. Up to the final collapse it managed to remain, *sui generis*, an aristocratic anomaly within a revolutionary petty bourgeois state, prepared to serve whatever German authorities might succeed Hitler and Ribbentrop.

What explanations may we offer for this? Perhaps, like the Abbé Sieyès during the French Revolution, the Foreign Office may be said merely to have "survived". But the analogy is not appropriate, since in this case we speak of a technical instrument of the state which did more than sink into self-protective passivity. It is certainly true that, after 1938, the Foreign Office bureaucrats ceased to exert any noticeable influence over major Reich policies, but rather contented themselves with the performance of "technical" functions.

Furthermore, the instinct to survive could not alone have been decisive, since many others in Nazi Germany who also chose this course did *not* survive. May we ascribe its success to Hitler's need for a "respectable front" to the outside world? This, after 1939, could hardly have been the case, after the brutal and aggressive nature of Nazism had fully revealed itself.

It is here submitted that Ribbentrop's rôle as Foreign Minister was largely responsible for the survival of the Foreign Office bureaucracy. Precisely because Ribbentrop's own position in the Nazi state was weak, insecure, and almost exclusively dependent upon the whims of Hitler, the "Nazi" Foreign Minister came to be for the Foreign Office a beneficent (albeit not benevolent) *deus ex machina*. Neither could have existed long without the other. An insolvent and detested chief was bound to his contemptuous, subordinate officialdom in a tenuous but persistent coalition of fear. That mutual resentment need not always lead to open hostility, but may under certain circumstances generate close collaboration, is a psychological phenomenon of profound importance within a police state.

Ribbentrop's paranoical battle to broaden (or at least defend) the jurisdictional sphere of the Foreign Office assured the latter of its institutional survival in a sea of competitors. Ribben-

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trop's fears of inroads by powerful party competitors into his bureaucracy was shared by his subordinates. His ruthless extirpation of intruders was a recognized benefit to those bureaucrats who might have detested him but who were fully aware of the consequences of his replacement by an equally hated but more powerful figure. The price paid by the Foreign Office officialdom for these efforts was impotence. The immediate reward was continued status; the ultimate one, survival.

For such thankless services the late Foreign Minister has received no rewards and no recognition. Memoirs and recollections of German diplomats today pass over such matters, recalling only the bitter rancor which once characterized their relations with their Chief. Only Ernst von Weizsaecker, in his recently published *Erinnerungen,* paused in his recriminations to pay tribute to his one-time Minister. In a revealing sentence he wrote regretfully: "If only he had been normal; if only he had been successful with his struggle for jurisdictional control, the Foreign Office might once more have been usefully meshed into the machinery of the state."[30] For, after all, the state was the state. And, as Paul Schmidt wrote, "To us in the Foreign Office, the idea of the immortality of the Third Reich evoked only a smile." [31]

PAUL SEABURY

NEW YORK CITY

[30] Ernst von Weizsaecker, *Erinnerungen* (Munich, 1950), p. 156. An English translation of the *Erinnerungen* has recently been published in Chicago.

[31] Schmidt, *op. cit.*, p. 560.

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SOCIALISM AND THE BRITISH LABOR PARTY

EVEN the limited success of the Conservative party in winning Britain's 1951 General Election, following the strong showing of 1950, provides reason for reëxamining what was once thought to be the misfortune of a Right-wing party fighting its political battles in the age of advancing socialism. For, in the heyday of British Labor's post-war electoral victory, some crocodile tears were shed for the future plight of the Conservatives. What economic and social program, it was asked, could conservatism offer that would appeal to the new electorate? What could the party of the Right ever present by way of a program that went beyond a carping criticism of socialist administration, or an adulterated "metooism"? That this might be enough to return the Conservative party to power was never completely dismissed, but it was treated as only an outside possibility for a short-run success.[1] Of course, that may turn out to be the case so far as the slender Conservative margin of 1951 is concerned. But the assumption involved—that the party of the Right requires a positive program in order to win substantial political victories—is open to serious question. Traditionally, in modern democracies and especially in Britain, conservatism has stood proudly and successfully for the *status quo* (or for the Burkean concept of an organically changing *status quo*).[2] That a new conservatism, adjusted to a new *status quo,* is without public appeal cannot be regarded as established by the election returns.

In addition to making a dubious assumption about post-war

[1] Herman Finer, *The Theory and Practice of Modern Government* (New York, 1949), p. 317.

[2] For a restatement of the conservatism of Burke, see Quintin Hogg, *The Case for Conservatism* (London, 1948), pp. 13-15.

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conservatism's lack of popular appeal, one must, before shedding crocodile tears for the Conservative party, have taken for granted that Labor would continuously offer a program of socialist change; for it was in contrast to the positive character of Left-wing policies that conservatism was to seem so unattractive to the contemporary voter. It was especially in Britain that the Labor party, uninhibited by the Conservative commitment to general capitalist principles, was to offer the electorate a series of alluring (and yet practical) socialist measures. Yet this is precisely what the Labor party did not do in its 1950 electoral campaign and what it did not do for the General Election which has only recently taken place. Its policy-making difficulties, evidently unforeseen in 1945, are worth examining in some detail. The absence of an advance-to-socialism agenda in Labor's program casts some doubt on the familiar prediction that the future lines of political battle are to be drawn between a socialist Left and a capitalist Right.

I

Certainly in 1945 the program of the Labor party seemed to be characterized by a socialist emphasis. Although many of Labor's policies, such as those involving social security, could also be championed in accord with the capitalist principles of the opposition parties, what was exclusively socialist was Labor's stand on public ownership; for, while the opposition was not necessarily against each and every nationalization proposal, it was a long way from accepting public ownership as a generally superior form of economic enterprise. This is what Labor, consistent with its Fabian faith, appeared to do in its 1945 campaign. Labor had an enthusiasm and a confidence in public ownership that marked it as the party of socialist principles. It was distinguished, as Lord Lindsay has written, by its "prejudice" for nationalization;[3] and this prejudice was no less because Labor's 1945 program called for only a limited schedule of nationalization projects during its first five years of power.

[3] Lord Lindsay of Birker (A. D. Lindsay), "The Philosophy of the British Labour Government" in F. S. C. Northrop (ed.), *Ideological Differences and World Order* (New Haven, 1949), p. 258.

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This, it was made plain in the context of Labor's election campaign, was only a first installment on the socialist future. What Robert Brady, in his study of post-war Britain, has termed the range and extent of Labor's nationalization program differentiated its 1945 stand from the opposition's consideration of public ownership for certain very special cases.[4]

This distinctive quality of Labor's election program reflected a faith that was of long party standing. "All the major industries will be owned and controlled by the community," Clement Attlee had written in 1937, and clearly without arguing for something new so much as stating the general socialist objective to which the Labor party was committed.[5] Nationalization was not, of course, all of Labor's profession of socialism. Also, in the name of socialism, Labor urged an expanded social security system, full employment, and a greater equalization of incomes. But at least by 1945 the opposition to Labor had accepted, evidently in principle as well as in detail, the bulk of these "socialist" items. What remained exclusively the property of Labor was the belief in the peculiar virtues of public ownership.[6] This, however, loomed large enough in 1945 to distinguish Labor as a socialist party from the parties of capitalism. Perhaps the distinction was blurred somewhat by the pragmatic and piecemeal character of Labor's socialism. Or perhaps the past actions of the party's leaders had been so moderate and cautious that some discerning observers might have concluded that Labor did not really intend to move in the direction of its proclaimed socialist objectives. Nonetheless the Labor party of 1945 appeared before the electorate with a socialist program based on a socialist ideology. Or, more specifically, Labor presented nationalization proposals based on a belief in the superiority of public to private ownership of major industrial enterprises.

[4] Robert Brady, *Crisis in Britain* (Berkeley, 1950), p. 41. This is the only comprehensive, scholarly account of the policies of the Labor government, and it is of great usefulness.

[5] Clement Attlee, *The Labour Party in Perspective—And Twelve Years Afterward* (London, 1949 republication of 1937 edition), p. 115.

[6] Labor party, *Let Us Face the Future* (London, 1945).

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This line has not only been submerged in recent months, but even during the February 1950 campaign, well before the prominence of defense issues, nationalization was almost entirely absent from Labor's electoral program. Just when the party's views on nationalization were officially changed is not easy to ascertain. Certainly the line remained substantially as it had been as long as the Labor government was concerned with parliamentary action on its nationalization agenda of 1945. But at the party's annual conference in 1949 there was evidence of a shift in emphasis. Even Aneurin Bevan, in explaining the official mid-1949 statement of policy, *Labour Believes in Britain,* directed the conference's attention to the "Encouragement for Enterprise" section of the statement and said: "We have nationalized the industries we have pledged to nationalize and which were part of the folk lore of the Socialist Movement for half a century. We now move, however, in more enterprising directions."[7] These other directions turned out to include antimonopoly regulations among a variety of other economic nostrums, none of which could be claimed as peculiarly socialist in character. However, other sections of the pamphlet *Labour Believes in Britain* did contain some positive references to future nationalization measures.

These proposals were relegated to a very minor rôle by the time of the February 1950 election campaign. Nationalization could hardly be completely ignored, without serious loss of face, but it was played down most consistently. The party's 1950 election manifesto, *Let Us Win Through Together,* is a good case in point. Its reference to the major industries already nationalized (coal, electricity, gas, and transport) was neither substantial nor prominent. Nor was much said about the iron and steel industry, for which nationalizing legislation had been enacted but not put into effect. Most of what the party suggested for future nationalization was buried under the heading of "Encouragement for Enterprise", and included only the cement industry, beet sugar manufacture, and sugar refining. The chemical industry, it was noted, would be carefully examined by a second Labor government. And in another place

[7] Labor party, *Report of the 48th Annual Conference* (London, 1949), p. 170.

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the manifesto declared that water supply should become wholly a public responsibility.[8] These are hardly very bold or large socialist proposals. What was emphasized instead of nationalization was the Labor party's full employment and social security policies. The bulk of the manifesto reads a good deal more like a fairly advanced version of the Fair Deal than like a socialist document. This meant that, while Labor was only stating the same full employment and social security policies that were by this time adopted by the opposition parties,[9] the electorate was asked to believe that only Labor was *really* committed to these policies.

This was also the tenor of Labor's radio broadcasts during the February campaign. The keynote was sounded by Herbert Morrison's declaration that in the party's election policy "the maintenance of full employment" was to be made "priority number one."[10] Public ownership he did mention, but only to term it one of the pillars of the full employment policy and to say very little more about it. Morrison pointedly avoided drawing the line between Conservative and Labor on the issue of public ownership. "We believe in quite different economic systems", he said. "We believe in full employment and the planning necessary for it. The Conservatives do not."[11] This remained the general line of attack in Labor's remaining major radio appeals, in which public ownership was mentioned only parenthetically when it was mentioned at all.[12] Perhaps so concerted an electoral underemphasis, at a time when Labor had made itself responsible for iron and steel nationalization, reflected a desire to seem, for purposes of attracting middle-class votes, even less interested in nationalization than was the party

[8] Labor party, *Let Us Win Through Together* (London, 1950).

[9] See the election manifesto of the Conservative party, *This Is the Road* (London, 1950), and of the Liberal party, *No Easy Way* (London, 1950).

[10] British Information Service, "Herbert Morrison's Electoral Broadcast" (I D 978), p. 2.

[11] *Ibid.*, p. 7.

[12] See the British Information Service's publications of the broadcasts of James Griffiths (I D 981), Ernest Bevin (I D 989), Margaret Herbison (I D 988), and Clement Attlee (I D 994).

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program itself.[13] Yet that program, as already noted, had very little of the appearance of a general commitment to nationalization. Rather, Labor's " new look " of 1950 appeared essentially, as Brady has said, to be " a British version of the American New Deal program as it was visualized by President Roosevelt in the heyday of his interest in the domestic scene." [14] It was the advanced welfare state, and not social ownership, that Labor was advocating. The principles were not those of traditional socialism but rather of Keynes and Beveridge.[15] But Keynes and Beveridge were the prophets of the opposition parties as well. Labor could not have the kind of political monopoly of the popular issues of full employment and social security that President Roosevelt temporarily enjoyed.

Yet since the February 1950 election, Labor has not seen fit to add appreciably to the advanced New Dealish policies it shared with the opposition. Certainly there has been no full-fledged revival of the nationalization issue. It is true that in September 1950 the Labor government announced its intention to proceed with the nationalization of the iron and steel industry under the previously enacted statute of authorization.[16] Since then the nationalization has been effected. However, this was action to which Labor was already committed, and which had, as a specific project, assumed a considerable psychological importance for the Left wing of the party. Labor's policy statements since the 1950 election make it plain that the decision on iron and steel was not part of a general go-ahead on nationalization. That the party had no such intention was evident as early as the post-election Dorking strategy meeting. Nothing of a specific nature was announced from this meeting, but it was reported that the Labor leaders decided that

[13] The significance of the middle-class vote for Labor's leadership is discussed by Roy Lewis and Angus Meade, *The English Middle Classes* (London, 1950), pp. 281-82. For what was regarded as soft-pedaling socialism in order to cater to the middle classes, the leadership was criticized from the Left. See *New Statesman and Nation*, vol. 39, p. 54 (1950), and London *Tribune*, March 3, 1950, pp. 3-4.

[14] Brady, *op. cit.*, p. 39.

[15] *Ibid.*, pp. 38-39.

[16] London *Times*, September 15, 1950, p. 4.

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" no more nationalization is politically desirable at the moment." [17] What has been officially stated since that meeting confirms the accuracy of the report. In August 1950, the party issued a declaration entitled *Labour and the New Society* that proposed no new nationalization except that of the water supply.[18] This looked like a retreat from even the few proposals of the February election manifesto, for now the sugar and cement industries were omitted. These omissions Herbert Morrison sought to explain to the subsequent party conference, in October 1950, by saying that it was unnecessary in such a declaration of policy to particularize the industries slated for nationalization. Cement and sugar remained within " the field of eligibility for consideration." [19] It just was not wise, Morrison added, to commit the party, at this stage, to a timetable for nationalization. It may be noted that in the October 1951 campaign Labor remained uncommitted to new nationalization proposals.

II

Nevertheless Labor has continued to proclaim itself the party of socialism. Some attempts were made in 1949 to develop a few relatively modest nationalization proposals, even if without the old enthusiasm for the general principle of public ownership. Sugar and cement have already been noted as minor pieces in the 1950 election strategy. These industries, either because of monopoly characteristics or heavy government subsidization, could be proposed for nationalization apart from general principle. But obviously they were of neither such size nor consequence as to make for mass enthusiasm. There was, however, another economic activity of somewhat greater political moment that Labor considered adding to its 1950 nationalization program. That was the business of industrial assurance, and its consideration and ultimate rejection for the nationalization agenda are significant for the light they throw on the difficulties inherent in the " democratic advance to socialism."

[17] *Manchester Guardian Weekly*, May 25, 1950, p. 2.

[18] Labor party, *Labour and the New Society* (London, 1950), pp. 19-25.

[19] *Times*, October 5, 1950, p. 3.

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As late as April 1949 there was, among the relatively vague suggestions for nationalization contained in *Labour Believes in Britain,* the very definite statement that "all the industrial assurance companies, the biggest being the Prudential and the Pearl, and the larger collecting societies, should be taken over as they stand." [20] At the very least, Labor as it approached the 1950 General Election seemed resolved to nationalize this very substantial branch of the insurance business. Furthermore this step would take Labor into a field of business that contained other activities ripe for future socialist proposals. Without doubt the measure could appeal as a substantial, though not a frighteningly large, socialist advance that would go beyond the welfare measures the other major parties were willing to champion. What marred the political utility of the proposal, however, was the opposition of Labor's important electoral ally, the coöperative movement. Since 1927 there has been an alliance between the Labor party and the political party sponsored by the coöperative societies, and in certain constituencies a candidate acceptable to Labor has run with the financial backing and the label of the Coöperative party—under an agreement to accept the Labor whip if elected to the House of Commons.[21] Consequently there was reason for Labor to pause when the coöperative movement objected to the plan for industrial assurance on the ground of its adverse effects on the insurance business conducted by the coöperative societies. Labor's nationalization proposal had contemplated taking over not only industrial assurance per se, but, also, on practical grounds, all of the other business activities of companies handling industrial assurance. And the Co-operative Insurance Society dealt in other insurance that would thus be nationalized along with its business in industrial assurance.[22]

Possibly there was more than this specific matter involved in the reaction of the coöperatives. The London *Times* reported

[20] Labor party, *Labour Believes in Britain* (London, 1949), p. 20.

[21] A. M. Carr-Saunders, P. Sargent Florence, and Robert Peers, *Consumers' Co-operation in Great Britain* (New York, 1938), pp. 212, 513.

[22] *Ibid.*, chap. viii, for a description of the coöperative insurance business. For a general picture of the economic importance of the coöperatives, see the *Economist* (London), vol. CLVII (1949), pp. 1334-35, 1397-98, and 1452-53.

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that the movement was also concerned with some Labor suggestions for government retail shops, and that there was anxiety "about the spread of state ownership generally." [23] At any rate, there seems no doubt that the opposition of the co-operatives was sufficient to move Labor from its insurance-nationalization proposal. The decision was made in late November 1949, after a Labor Party Executive session attended by the Prime Minister and other prominent government leaders. It was announced that "mutual ownership" of industrial assurance was to take the place of the nationalization plan.[24] This amounted to converting the insurance businesses of existing private proprietary companies to a mutual basis. The companies would retain their identity and all of their activities, including industrial assurance, only now they would operate on about the same basis as the Co-operative Insurance Society.[25] Obviously this proposal was entirely satisfactory to the coöperatives, for it was only the proponents of nationalization who made any concession. And they really conceded their entire position.

That this concession was so readily accomplished by pressure from within Labor's own ranks suggests that there are areas other than insurance in which internal restraints on nationalization might be imposed. The general anxiety of the coöperatives about state ownership is a reflection of the substantial business interests of affiliates of the Labor party. A coöperative enterprise is, after all, a kind of workers' capitalism, and its future will probably be defended, in the name of the worker-shareholders, as tenaciously as that of an ordinary business enterprise. Thus, in addition to what may be the political desirability of soft-pedaling nationalization in order to placate the fears of middle-class voters, there is perhaps a more urgent reason to move slowly, if at all, so as not to alienate a large portion of an ordinarily loyal Labor following. Inferentially one might raise the question whether this means that the socialism of a demo-

[23] *Times*, October 25, 1949, p. 2.

[24] *Ibid.*, November 24, 1949, p. 4.

[25] Labor party, *The Future of Industrial Assurance* (London, 1950).

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cratic socialist party, operating in a mature industrial society, is going to be limited generally by the economic interests of its own membership.

There is another kind of interest within the Labor party that has raised a different kind of problem in connection with the development of a nationalization program. The residue of trade-union syndicalism, while not necessarily opposed to nationalization as such or to any specific proposal, has continued to voice dissatisfaction with the nationalization already accomplished. The 1949 party conference, for example, was marked by such syndicalist-minded criticism. The spokesman of the National Union of Railwaymen, with an eye to the way in which the government had nationalized transport, moved a resolution "for greater workers' participation by workers with both theoretical and practical knowledge of the operations of the industries involved being appointed to administrative positions." [26] In behalf of this resolution (which was ultimately remitted to the Executive for consideration) it was urged that too many high military officers and private-enterprise bosses had been appointed to the boards of the nationalized industries.[27] At the very least, this kind of internal dissatisfaction means that there is going to be much less than a universally enthusiastic party support for any more nationalization proposals in the settled Fabian pattern. Of course the effect of this dissatisfaction can be contemplated only in an academic sense so long as Labor does not develop new nationalization proposals. And present party statements of policy do not make such a development seem probable.

III

If, however, the official party pronouncements contain no such nationalization suggestions, what of Labor's intellectual vanguard—of the revived Fabian Society, for example? [28] Is

[26] *Report of the 48th Annual Conference*, p. 127.

[27] *Ibid.*, p. 129.

[28] The Fabian Society as it now exists is the result of a 1939 merger of the old and then largely moribund original organization with its offshoot of 1931, the New Fabian Research Bureau. Just before and especially during the war, the re-

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there an intellectual propagation of the ideas for a new socialist advance, either by way of more nationalization or via some different road? Until the last three years there did remain in the Fabian literature some of the old faith in nationalization; so in 1948 Ian Mikardo, in a pamphlet entitled *The Second Five Years,* listed twelve activities Labor should nationalize during a second term of office. These activities included such major industries as shipbuilding, motor vehicles, and aircraft and aero manufacture.[29] At the time this appeared to be the program of Labor's Left wing, and to enjoy some vogue in the pages of the *Tribune,* whose journalistic policies were identified with the politics of Aneurin Bevan. Although this point of view was from time to time vigorously expressed, it was not buttressed with much intellectual or analytical content. And its advocacy, especially after 1948, has not been consistent. Mikardo himself, for instance, was one of the twelve Labor M.P.'s who wrote a pre-election pamphlet called *Keeping Left* that, while insisting on its socialism, was notable for its omission of specific nationalization proposals and for its emphasis on economic remedies unrelated to the question of public ownership.[30] In fact, in the last two or three years intellectual arguments for increased nationalization have been almost entirely absent. Even the Left-wing broadside, *One Way Only,* issued in behalf of the 1951 Bevanite revolt, did not move beyond the brief

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vitalized Society increased both its membership and its activities, and after the war it stated its intention to carry on the traditional function of developing and disseminating socialist ideas—but then in the unfamiliar circumstance of a Labor majority in the House of Commons. See John Parker, "The Fabian Society and the New Fabian Research Bureau" in Margaret Cole (ed.), *The Webbs and Their Work* (London, 1949), pp. 235-50; and Margaret Cole, "The Work of the Fabian Society Today", *Fabian Quarterly* (April 1944), pp. 21-24.

[29] Ian Mikardo, *The Second Five Years,* Fabian Research Series No. 124 (London, 1948).

[30] *New Statesman* pamphlet, *Keeping Left* (London, 1950). In this work the question of ownership is made to seem almost irrelevant. Of first importance is that industry, nationalized or non-nationalized, should work according to a single plan (p. 14). About the only kind of public ownership for which the pamphlet expressed enthusiasm was the proposal for competitive state enterprise—that is, for the government to own one or more "yardstick" plants in an industrial field largely occupied by private business (p. 29).

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and tentative list of industries which the party had suggested for nationalization in the 1950 campaign.[31] Also, it is worth noting, *One Way Only* devoted very little space to making the case for nationalization, but concentrated instead, so far as domestic affairs were concerned, on developing proposed economic controls to meet the exigencies of rising prices.

Besides the relative absence of emphasis on the nationalization issue, there has, from some members of the Left, been outright opposition, such as that from R. H. S. Crossman, M.P. and Oxford don:

> The fact is that the demand for another crop of Public Corporations is non-existent outside the party and, even inside, it is much more vocal than widespread. The really strong feeling today is about the conditions in the industries we have already nationalized. If the Executive, having already excluded all-out nationalization, had boldly stated that the main task in the field of public ownership for the next five years is to make nationalization a success; and that consideration of further schemes of nationalization must be deferred until we have learnt the lessons of our inevitable initial mistakes, the Party's electoral chances would have been considerably increased, and the task of a second Labour Government considerably eased.[32]

This general view, rather than a belief in the advance to socialism via another large dose of nationalization, has been evident in most of the Fabian output.[33] The comment of G. D. H. Cole, the Fabian Society's chairman and its most prolific writer, is typical: "The administration of the few industries that have already been transferred to public management is not yet so satisfactory as to encourage a general adventure into industrial socialization until their difficulties have been straightened out, and more decentralization and more workers' participation in

[31] *Tribune* pamphlet, *One Way Only* (London, 1951), p. 16.

[32] R. H. S. Crossman, "Thoughts Before Blackpool", *New Statesman and Nation*, vol. 37 (1949), pp. 548-49.

[33] This same kind of caution and criticism of nationalization is apparent in the various articles (many by Fabians) in the recent issue of the *Political Quarterly* devoted to the subject. Vol. 21 (April-June 1950).

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their affairs effectively introduced." [34] This program of democratizing business [35] has become a preoccupation of post-war Fabian writing, and the "socialization of the nationalized industries" [36] a new and popular slogan. This seems pretentious when it is applied, as so often seems the case, to little more than an improvement in the managerial techniques for dealing with labor. Yet there is doubtless a kind of advantage in identifying the policy with socialism, for it allows the Fabians to admit the shortcomings of public ownership—"not enough socialization"—without forsaking the doctrine of nationalization itself.

There are, along this line, some guild socialist overtones in the new Fabian writing. At times Cole appears to have started on the road back to his once-forsaken guildism. The tenor of his writing in the labor-management field is such as to make ordinary proposals seem part of a more far-reaching and elaborate scheme. "I write as a believer", Cole has said, "in the long-run emergence of the guild socialist principle of individual self-government as the greatest single contribution to a satisfactory solution." [37] Yet Cole is a long way from advocating guildism as present policy for the Labor government. At the very most, his specific suggestions for the nationalized industries might provide a basis for some future move toward workers' control. Cole's guildism-by-indirection is illustrated in some detail by his recommendations in 1948 for the improvement of management-labor relations in the nationalized coal industry. To begin with, Cole explicitly rejects the direct guildist approach of an immediate turning over of control to the miners themselves. He is opposed to either a full or a minority representation of miners on the National Coal Board. The Board, he admits, must now, as an agency of the state, represent the public interest. The coal-mining industry is not ready for workers' control, because of its reorganization needs and the present state

[34] G. D. H. Cole, *Facts for Socialists*, Fabian Research Series No. 136 (London, 1949), p. 18.

[35] Lord Lindsay, *op. cit.*, p. 262.

[36] Crossman, *op. cit.*, p. 549.

[37] G. D. H. Cole, "Labour and Staff Problems Under Nationalization", *Political Quarterly*, vol. 21 (1950), pp. 169-70.

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of mind growing out of the miners' relations with private employers. "It is Utopian", Cole declares, "to suppose that a Board representing the miners would lay itself open to all the unpopularity which its members would incur if they ventured to go against a strong current of local miners' opinion." [38] This view is almost indistinguishable from the old Fabian opposition, especially of Sidney Webb, to workers' control.[39] In fact, all that marks it off is the prominence of Cole's insistence that eventually workers' control will be possible.

Now Cole merely proposes that the National Coal Board, composed of administrative technicians, should arrange for a practical maximum of workers' consultation. Cole would have both pit and area consultative committees established, with some delegation of power to representative bodies at the pit level. The trade unions, Cole believes, should not become involved in this process of assuming responsibility. They should stick to their collective bargaining functions.[40] However, Cole wants the unions to select representatives, along with consumers and professional groups, for a national supervisory council. This council would parallel the National Coal Board, and would be empowered to review the Board's work and make appropriate recommendations to the Minister of Fuel and Power.[41] Supposedly this council is not to be merely advisory in function, but Cole does not seem to suggest that it be given the power necessary to do more than advise. Actually none of the consultative machinery, from pit to national council, would bring any change in the locus of authority. Nevertheless Cole

[38] G. D. H. Cole, *National Coal Board*, Fabian Research Series No. 129 (London, 1948), p. 7. This rejection of workers' control also characterized the more recent Fabian study of the general problem by Hugh Clegg, *Labour in Nationalized Industries*, Fabian Research Series No. 141 (London, 1950).

[39] See Sidney Webb, *Socialism: True and False*, Fabian Tract No. 51 (London, 1894). For a full account of the victory of the state collectivists over the advocates of guild socialism, see Robert Dahl, "Workers' Control of Industry and the British Labour Party", *American Political Science Review*, vol. 41 (1947), pp. 875-900.

[40] For a view of the Coal Board's practices as compared with Cole's recommendations, see the National Coal Board's *Annual Report and Statement of Accounts for the Year Ending 31 December 1948* (London, 1949), pp. 51-56.

[41] G. D. H. Cole, *National Coal Board*, *passim*.

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believes it to be relevant to reaching the long-run goal of workers' control; for, Cole states, if the Board makes good use of the opportunity for consultation, the attitude of the miners might alter so that they would themselves become capable of operating the industry in the public interest. The proper institutional arrangements, over a period of time, are necessary to create those social relations conducive to the development of the miners' social consciousness.[42] In a general sense, this resembles the notion, which Marxism has made familiar, that with state ownership and the elimination of capitalist exploitation there will develop in the worker a different and better attitude toward the job and the community. It is this different and better attitude that Cole believes possible and wants developed as part of the answer to Britain's post-war production problems: "The old coercive incentives of capitalism are irretrievably breaking down," he wrote in 1947, "and no new incentives based on the spirit of Socialist and Co-operative democracy are ready to take their place."[43]

Yet the fact remains, despite the socialist and even Marxist overtones, that what Cole and his Fabian colleagues have to suggest by way of "new incentives" are what American industrial managers would regard simply as an advanced human relations policy entirely compatible with capitalism.[44] Indeed there is very little of Cole's program for democratic consultation with workers that is not adaptable to private as well as public enterprise. Cole does not even make the argument that there is something about the fact of an industry's nationalization that makes it thereby peculiarly suitable for the "socialization" of its labor relations. On the contrary, Cole seems to have rejected the orthodox socialist belief in the peculiar virtue of public ownership:

[42] *Ibid.*, p. 29.

[43] G. D. H. Cole, "Co-operation, Labour and Socialism" in N. Barou (ed.), *The Co-operative Movement in Labour Britain* (London, 1948), p. 66.

[44] Other examples of the Fabian interest in improving industrial relations are Patricia Elton Mayo, "Industrial Relations—Some Lessons for Socialized Industry", *Fabian Quarterly* (June 1947), pp. 3-10; and E. S. Napier, "Joint Consultation—and the Regional Boards for Industry", *ibid.* (Winter 1947), pp. 12-17.

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> The change that has come about in the status of labour and in the behavior of management in the coal-mines—and that is coming about in other industries—is to a very considerable extent a consequence not of nationalization as such, but of full employment and nationalization under a Labour Government. Were unemployment to be allowed back under a different sort of Government, how much of the new spirit of labour relations would remain? [45]

What is not explicit in this statement of Cole's seems open to inference: nationalization is essentially irrelevant to the problem of workers' participation and the consequent development of new attitudes toward production. These can be secured as well in private as in public employment, provided the worker becomes accustomed to a high level of economic security. Presumably management's enlightenment would be an essential, but it is not suggested that there is anything necessarily more enlightened about the labor policies of managers whose salaries are paid by public rather than by private corporations.[46]

The traditional socialist belief in the inherent goodness of public ownership and management is almost entirely absent from the post-war Fabian prescriptions for industry. And without that belief, it is difficult to see anything specifically socialist about the suggestions for improving management-labor relations. Actually these suggestions seem to reflect the concern for increasing production that the Fabians share with much of the rest of the post-war British community. Thus a Fabian publication on *Management by Consent* contains the usual exhortations to increase efficiency, and urges that full consultation with workers can make a substantial contribution to the production drive. "The first job of a labor manager is to know about men and women", it is stated in the best tradition of the American capitalist "human relations in industry" program.[47]

[45] G. D. H. Cole, in *Political Quarterly*, vol. 21, p. 168.

[46] On this score the authors of *Keeping Left* were entirely frank: "We are now less concerned about who owns a factory, and more about who manages it and how, and whether it is working according to socialist plans." *New Statesman* pamphlet, p. 28.

[47] Fabian Society, *Management by Consent*, Fabian Research Series #125 (London, 1948), p. 8.

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The same note is sounded in the Society's pamphlet on the nationalized railway industry, which is criticized for having made its management so highly centralized as to be impersonal in its labor relations.[48] In short, the Fabians seem to be adding the views of Elton Mayo to Labor's post-war intellectual capital of Keynes and Beveridge. But regardless of the merits of the "human relations in industry" program, it hardly furnishes the stuff out of which attractive political platforms can be made.

Nor is there much of political usefulness for a socialist party in the recent writings of the Fabians on other subjects, although there is doubtless a great deal to be said for the Fabian suggestions when judged by some other criterion. There is a Fabian argument, for instance, for greater consumer participation in the administration of the nationalized industries.[49] A case has been made for the development in the civil service of a public relations program to inform both administrators and citizens of the significance of what the government is trying to accomplish.[50] The Fabians have also repeated their recommendation for the overhaul of the structure of local government so as to secure a higher level of public interest in borough and county affairs.[51] And, along a similar line, they have made suggestions for obtaining grass-roots participation in the town-and-country-planning program.[52]

Plainly there is not much about any of these Fabian suggestions that is more of the advance-to-socialism school than the

[48] Frank Pickstock, *British Railways—The Human Problem*, Fabian Research Series #142 (London, 1950).

[49] L. Freedman and G. Hemingway, *Nationalization and the Consumer*, Fabian Research Series #139 (London, 1950).

[50] The Fabian Society, *The Reform of the Higher Civil Service* (London, 1947); and Harold Laski, "Efficiency in Government" in the Fabian Society's *Road to Recovery* (London, 1947), pp. 50-64.

[51] Peter Self and "Administrator", "Local Government and the Community", *Fabian Quarterly* (March 1947), pp. 15-22; Peter Self, "The Reform of Local Government", *ibid.* (Autumn 1947), pp. 7-17; and G. D. H. Cole, *Local and Regional Government* (London, 1947).

[52] Monica Felton, "Democracy in Town and Country Planning", *Political Quarterly*, vol. 20 (1949), pp. 74-82.

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1950 platform of the Labor party. The intellectuals have not, for instance, taken up the line of advocacy adopted by Brady's survey of British socialism. Nowhere in the Fabian literature is any appreciable attention given to Brady's Veblenian insistence that physical planning and coördination be substituted for the "Keynesian balancing" that the Labor government calls planning.[53] For that matter some of the Fabian writing shows a chariness of any further use of fiscal and budgetary policies for socialist purposes. Thus the 1949 edition of the famous, regularly revised Fabian pamphlet, *Facts for Socialists*, states:

> However desirable it may be, on socialist grounds, to put an end to the existence of large incomes—and still more of large capital fortunes—henceforth the prospect of any considerable rise in living standards for the main body of the people must depend on higher total production: there is no other source from which it can come.[54]

To achieve higher production, the pamphlet advocates, in addition to improved managerial techniques, various fiscal methods for getting a larger share of the national product into capital investment.[55] Whatever economic merit these proposals might have (and it is probably considerable) in terms of improving Britain's general situation, the fact remains that the proposals are not of an exclusively socialist character and that they reflect general views shared by the bulk of the opposition. Labor's intellectuals, then, while they may be supplying a good deal of intelligent economic discussion, have not been contributing anything that looks like the background for a socialist political campaign.

Perhaps this is a way of accounting for the relatively bare domestic program put forward by the Bevanite wing of Labor

[53] Brady, *op. cit.*, p. 517.

[54] G. D. H. Cole, *Facts for Socialists*, p. 5.

[55] A similar line was taken in a series of three articles by C. A. R. Crosland on the redistribution of wealth that appeared in the *Tribune*, August 5, 1949 (pp. 7-8), August 12, 1949 (pp. 10-11), and August 19, 1949 (pp. 10-11). Such a policy was also reflected in the government's *Economic Survey for 1949*, Cmd. 7647 (March 1949), pp. 43-45.

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when it staged its 1951 revolt against the party leadership. The revolt itself was generally inspired by the burden of Anglo-American rearmament, and specifically by the budgetary effect of that burden upon Health Service charges. Although the main line of Bevanite fire was directed to foreign policy issues, the group's appeal for support included the recommendation of "socialist remedies" for domestic problems. However, besides the reiteration of the Labor party's limited nationalization agenda of 1950, these remedies were mostly distinguished for their emphasis on the devices for controlling capitalism.[56] A kind of exception was the Bevanite revival, in the name of socialist equalitarianism, of a really large-scale capital levy. This device, except in the moderate form designed primarily for revenue, had been largely dormant in Labor's ideological arsenal since the 1920's. In the sweeping form now proposed,[57] the capital levy would be drastic enough in its virtually confiscatory effect on private capitalism so as to satisfy the most thoroughgoing socialist aspirations. But the practicable difficulties, economic and political, are such that the large-scale capital levy does not seem a likely plank for the platform of a party which takes its chances of electoral victory very seriously. The revival at this date of the capital levy is evidence of the dearth rather than the development of a socialist program.

IV

The apparent paucity of intellectual interest in developing socialist remedies makes the moderation of the Labor party's recent platforms seem more than a tactical maneuver to attract middle-class votes. There seems no doubt that in the last few years Labor's intellectual elite has departed from the faith of the Fabian fathers in the clear-cut moral and economic superiority of public ownership. What has been substituted for the stream of nationalization proposals is a series of suggested reforms that assumes the maintenance of the private sphere of the economy and the social order it sustains. Perhaps Labor would not, for external and internal political reasons, accept in

[56] *Tribune* pamphlet, *One Way Only*, p. 16.

[57] Roy Jenkins, *Fair Shares for the Rich*, *Tribune* pamphlet (London, 1951).

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its election campaigns of 1950 and 1951 any fully socialist proposals. But the fact remains that such proposals do not seem to be seriously broached even by the intellectuals who have no need to solicit short-run electoral support.

Whether Labor's electoral possibilities are diminished by the absence of a socialist program in a contest with an almost equally New Dealish opposition is open to question. Certainly the 1951 election results offer no conclusive evidence, because of both the narrow margin and the attention given to foreign policy. Probably it is only over a long period of time that the party of the Left might be seen to suffer from want of a policy of change. That Labor's not going far enough might risk " giving way entirely to a strong movement from either the far left or the far right " has been suggested by Robert Brady.[58] Obviously, as a possibility, this cannot be ruled out, but it does rest on the assumption, explicit throughout Brady's study, that the economic and political situation in Britain will greatly deteriorate unless very drastic governmental measures are adopted. It is not necessary to make this assumption in order to raise the question of whether Labor can win a fair portion of ordinary elections when it offers programs hardly any farther to the left than those of the opposition. Labor's strength could be dissipated by losses to the moderate Right as well as to any more extreme movement. There is as yet no strong force apparent on either the far Left or the far Right, especially now that the Communist party has actually lost strength since 1945. But the Conservative party, in power or in opposition, is very much alive.

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[58] Brady, *op. cit.*, p. 2.

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THE ECONOMIC PROBLEMS OF DENATIONALIZATION

I. *Introduction*

TODAY a new trend is developing in economic organization and policy. This is the widespread introduction of economic planning as a national policy. This trend first became really important during the 1930's, and since then has gained such momentum that it is now one of the outstanding political-economic features of this period of history. Nations are attempting to guide their economic development by consciously setting targets of economic activity and enforcing a set of priority claims on resources needed in realizing these ends.

It is significant that among the nations following this policy is Great Britain. There an attempt is being made to implement a planned program aimed at greater domestic economic stability and equality through government participation in the economy, while maintaining the balance of political and economic freedom which the British tradition of democracy demands.

A key aspect of this program is public ownership and operation of some of the nation's basic industries. In the past it has been argued that such an expansion in governmental activity inevitably involves a contraction in the area of personal freedom and enterprise, and a distortion of the democratic process.[1] We shall not in this essay assess the validity of this argument or its corollary concerning the profitability of sacrificing some freedom (if any) for the benefits of government planning. For the answer to these questions we must await the results of the British experiment.

[1] For an example of the type of argument presented by those who maintain that increased government planning is destructive to personal liberties and democratic processes, see F. A. Hayek, *The Road to Serfdom* (Chicago, 1944). An alternative viewpoint can be found in a work by Barbara Wootton, *Freedom Under Planning* (Chapel Hill, 1945).

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But the trend toward the planned economy suggests another problem, one that is usually overlooked or neglected: whether it is possible to reverse the trend and move in the direction of a freer system. Once having adopted the stratagem of economic planning, is a nation inexorably committed to it?

Obviously the reply to this query must be a negative one. Of course a nation can revert to a less regimented economy and denationalize its publicly owned industries. But the economic problems, not to speak of the social issues in general, accompanying such a change in policy would be tremendous. It is these economic aspects of denationalization which will be the subject of our discussion.

Why consider the question of denationalization at all? Can such an analysis be of any practical value? We need look no further than Great Britain for our answer. For there, the Labor government had been administering a planned economic system in which nationalization of basic industries was a central feature; but it did so while maintaining only a slight majority in Parliament. Now that the opposition party has been returned to power, it is conceivable that it would attempt to reverse the trend. In this connection it is interesting to note Mr. Winston Churchill's statement upon originally hearing of the Labor government's intention to carry out the policy of nationalizing the steel industry. His statement was to the effect that the Conservative party, if returned to power, would denationalize the steel industry, a point which was later reiterated in the policy manifesto of the Conservative party during the last election.[2] Thus the results of the British election give this complex of problems a tinge of realism which should not be ignored.[3]

[2] "We shall, if we should obtain the responsibility and the power . . . repeal the existing Iron and Steel Act, irrespective of whether the vesting date has occurred or not." *House of Commons Parliamentary Debates*, vol. 478, No. 94, Weekly Hansard #165, Debates of 19th Sept. 1950, p. 1732.

[3] There is further proof that denationalization is not purely an academic problem. For example, Puerto Rico is considering the transfer to private interests of some publicly owned enterprises. See Beardsly Ruml's article in *Puerto Rico Bulletin*, May 11, 1949.

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Though it would appear that no clear mandate has been given to the new government inasmuch as the Labor party received a greater proportion of the popular vote than did the Conservative party, in fact receiving more votes than any other party in the history of Great Britain, it is as yet not clear whether Mr. Churchill will interpret the results of the election in this manner. Nevertheless, in the light of conditions in Great Britain we shall postulate the following hypothetical situation: that the Conservative party has in fact been returned to power with a mandate from the people to scrap the planning mechanism, with the denationalization of the coal industry eventually to follow.[4] What are the economic problems which would confront the authorities denationalizing the coal industry?

II. *Historical Background of British Coal Mining*

Before beginning our analysis, some pertinent historical facts about British coal mining must be reviewed. These will provide the background against which our discussion will unfold.

The history of the British coal industry falls logically into three periods: (a) the pre-World War I era of rapid growth and prosperity; (b) the inter-war period of depression and strife; (c) the post-World War II period of recovery and reorganization.

Before World War I, the coal industry was one of Great Britain's primary sources of international strength. A third of British coal production went into the export trade. Because of the heavy demand for its product, the industry went through a period of rapid though inefficient expansion. But the ineffi-

[4] The bulk of this article was written early in 1950. At that time, the coal industry was chosen as the subject of this case study because it alone of the British basic industries has been under public ownership long enough to have developed a wide range of complete data amenable to analysis. Also, the coal industry is an appropriate case to study because since the nationalization of coal there has been a decided change in British policy and thinking on this subject. Complete centralization of authority and control in National Boards is no longer the keystone of British policy. Decentralized organizational arrangements are now sought in order to achieve greater efficiency. There have even been pleas for a reorganization of the coal industry on a more decentralized basis. See D. N. Chester, "Organization of the Nationalized Industries", *Political Quarterly*, vol. XXI, No. 2, April-June 1950, pp. 122-134.

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ciency did not offset the heavy demand, and coal mining was profitable under private ownership until World War I.

After that conflict, however, the industry steadily degenerated into a state of depression that persisted until World War II. Between 1924 and 1939, the industry's average profit per ton of coal was about 5*d*.,[5] but there were losses for the entire industry in 1928 and 1929. This state of affairs can be accounted for by the industry's loss of its comparative advantage in producing for export, and by the generally depressed domestic conditions. The loss of the export market can be directly attributed to the relative decline in productivity of the British mineworkers as compared with miners in other coal-producing countries. The remedy in this situation should have been increased mechanization to raise productivity. But capital formation did not take place because of the perpetual state of financial embarrassment in which the industry found itself (which was of course reënforced by the lack of capital formation). The situation was further complicated by extreme labor-management discord which led to union demands for nationalization.

For a long while, the government's policy toward the coal industry was one of regulation with no attempt at significant alterations in its structure. Government action was confined to safety and welfare schemes, national conciliation machinery and other fringe activities. But the financial difficulties of the industry accompanied by the intense intra-industry social frictions caused a change in policy. After World War I, the government commissions investigating the coal industry were more inclined to recommend fundamental reorganization. It was not until 1930, however, that government action actually began. Under the Coal Mines Act of 1930, control of production and prices was attempted and machinery to facilitate reorganization was established. Government nationalization of the coal resources was decided upon in 1938 but only completed in 1945. In addition, centralized selling schemes were authorized under the Coal Act of 1936 in order to alleviate some of the adverse effects to the workers and mine operators of the

[5] *Coal Mining: Report of the Technical Advisory (Reid) Committee*, Cmd. 6610, 1945, Appendix I, p. 141.

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cutthroat competitive conditions prevailing in the depressed industry. This led to an improvement in the financial position of the coal producers and induced some capital investment.

When World War II broke out, the coal industry was subjected to many essential regulations. In 1942, the government took over the operation of the mines and set up a centralized administration under a Minister of Fuel and Power. Effective nationalization was carried out during the war, so that the passage of the Coal Nationalization Act in 1946 was only a formality necessary to transfer ownership to the government. But before this legislation was passed, an investigation of the technical conditions in the industry was conducted by a committee of mining experts; and their conclusion in 1945 was that " drastic technical reorganization is not only practicable, but vitally necessary . . .", and that this could best be accomplished only under centralized control of the industry.[6]

In 1940, there were 1,570 producing mines employing 697,112 wage-earners. Of these 1,570 operating mines, 52.5 per cent produced only 2.5 per cent of the total output.[7] These small mines exerted an undue influence on the policy of the industry as a whole, and made it difficult to secure uniformity on technical or commercial matters. They were inefficient obstacles to progress. It is then small wonder that on the eve of nationalization the tenor of public and private opinion was that the necessary reorganization of the industry could be effectively consummated only under public ownership and control.

On January 1, 1947, nationalization of the British coal industry was officially begun. Ownership of the resources and equipment of operating collieries plus all ancillary activities was transferred to the government and placed under the authority and direction of the National Coal Board.

Under nationalization, the industry has been organized on a line and staff basis in four elements, the collieries, areas, divisions, and national headquarters. There are 1,000 collieries (operating units) which mine the coal. Nationalization has

[6] *Coal Mining: Report of Technical . . . Committee*, p. 2.

[7] Political and Economic Planning, *The British Fuel and Power Industries* (London, 1947), Table 96, p. 269.

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made little difference to the internal organization of the collieries. Next in the line are the areas. These are the basic units of commercial management. There are 48 such areas, the average area having an output of four million tons per year, a turnover of £10 million, and an average labor force of 16,000 persons. The number and size of the areas were determined by the technical circumstances of geographical location and business efficiency. The administration of the areas by the National Coal Board is facilitated by placing one more office between the areas and the Coal Board. These are the divisions, nine in number, which frame policy and coördinate activities of the areas within their control. They decide matters that are local in nature. Finally at the top of the organization is the National Coal Board which is the top management. The members are appointed by the Minister of Fuel and Power to whom the Board is responsible. It is directed by the Coal Nationalization Act of 1946 ". . . to secure efficient development of the coal industry; to supply coal without showing undue preferences to anyone . . . and to see to it that the industry pays its way over an average of good years and bad years." [8]

This then is the structure of the industry under public ownership. What have been the results? Output has increased; and the large-scale investment program to increase mechanization plus the general technological rationalization under process have increased miner productivity. Capital formation in the industry was proceeding at an annual rate of £29 million in 1950, with total capital expenditure by the National Coal Board through 1950 amounting to £88.7 million. Though the National Coal Board experienced a major operating deficit in 1947, the situation improved in 1948 and the industry was more successful financially speaking. However, the large operating surplus in 1949 was reduced somewhat in 1950, as the pressure of domestic requirements forced the Board to allocate a greater proportion of its output to home consumption, thus reducing the extent to which advantage could be taken of the more favorable conditions existing in the export market. Labor-

[8] National Coal Board, *Report and Accounts for 1948*, HCR 187/1948-49, chap. 10, pp. 100-117. These reports will be cited hereafter as NCB, *Report*.

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management relations are also better. There is less militance on the part of the labor unions because of such innovations as the five-day week, more extensive welfare benefits, and a thorough and workable on-the-spot procedure for settling grievances and allowing the workers to participate in solving management problems.[9]

III. *The Problems*

With these facts to guide us, we are now better equipped to examine the economic problems which would arise if the proposed act of denationalization were undertaken. And when discussing these problems, it is best to consider the coal industry in isolation, assuming no change in government policy toward other nationalized industries. In addition, denationalization must be analyzed with respect to the time when it is attempted. Consequently, we shall compare the problems that would probably arise if denationalization is undertaken say within the next two years, and those arising if it is attempted only after a much longer period of time has elapsed. The logic of this approach will become more apparent as we proceed.

As long as assumptions are being made explicit, a final one is necessary, namely, that the controlling powers will try to retain as many as possible of the improvements effected by the National Coal Board. This rather obvious assumption is essential, for the nature of the problems would be entirely different if the process of denationalization were carried out with a policy of recrimination. Should there be an attempt to destroy all features which might serve as reminders of the possible benefits of nationalization, then the problem of denationalization would no longer be amenable to economic analysis or any other kind of rational treatment.

Now that the foundations have been laid, we can proceed with the analysis. First, what is meant by denationalization? We shall define it as the return of the physical assets and control of a publicly owned industry to private ownership and direction. What would this entail in the coal industry? It would mean the return of coal mining and ancillary activities to pri-

[9] NCB, *Report, 1949*, HCR 82/1949-50; *Report, 1950*, HCR 188/1950-51.

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vate hands. The assets of the coal industry have an over-all book value of £433 million,[10] the greater proportion of which consists of colliery equipment actually used in the production of coal. The ancillary activities (those other than directly connected with the production of coal at the pits) include the ownership and administration of coal-selling depots, coke ovens, secondary by-products plants, manufactured fuel plants, briquetting plants, brickworks and tileworks, railway wagons, wagon repair shops, houses, estates and farms. Among other properties the Board owns a cinema, 141,000 houses including whole villages, slaughter houses, a holiday camp, retail milk rounds, schools, 225,000 acres of farmland, swimming baths, hotels, shops, private railways, wharves and coal-selling depots, and a cycle track.[11] The Board gives employment to approximately 697,031 persons, of whom 41 per cent work at the coal face mining the coal.[12]

A. Finance

The first group of problems suggested by the magnitudes presented above are financial in character. What shall be the financial structure of the industry? What size shall the component units be? As presently organized under the National Coal Board, there are 48 commercial units. The size of these units was determined with an eye toward maximum efficiency in the light of technological and geographical conditions. Thus we may safely assume that if the industry were immediately denationalized, about 48 separate and distinct corporations would be organized, each one coinciding with one of the 48 operating units. This would avoid the problems which existed before nationalization in the 1930's and earlier, when the industry was composed of many dwarfs and a few giants. Further, it may be assumed that the ownership of the coal resources will be transferred with the corresponding operating units, thus eliminating the problem of royalties and the corresponding

[10] NCB, *Report, 1950*, p. 95.

[11] NCB, *Report, 1947*, HCR 175/1947-48, p. 10.

[12] NCB, *Report, 1950*, Appendix 1, pp. 160-161.

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pre-nationalization headaches of awkward and inefficient size lease-holdings. The size of the new private units, therefore, should not cause serious difficulties, either immediately or after a long span of government ownership.

A problem of more formidable dimensions, however, is that of disposing of the physical assets of the industry without the government incurring any loss.[13] In this connection several factors need to be examined.

First, there is the fact that the government, in its attempt to be fair, allowed an upward bias to enter into its valuation of the assets of the business for the purpose of compensation of the owners. Furthermore, nationalization took place after a major war, when prices and values were generally inflated. The extent of the inflation is suggested by the following data. From the end of the war in 1945 through 1950, the over-all index of wholesale prices rose from 166.7 to 258.7, a rise of 55.2 per cent. If we take the level of prices as of July 1951, when the index stood at 315.6, the percentage increase after 1945 jumps to 89.3. During this same period, the returns to the coal industry rose by only 29.8 per cent.[14]

At the same time, however, the National Coal Board was undertaking the reconstruction of the industry and making substantial additions to plant and equipment. This cumulative net increase in assets amounted to £60.8 million through 1949 and £88.7 million through 1950. The greatest expenditures were for plant and machinery, with cumulative net increases in this category amounting to £51.5 million through 1949, and £69.6 million through 1950.[15] This represents 67 per cent of the additions to assets made under nationalization. Net capital formation amounted to £30.6 million in 1949 and £27.8 million

[13] The question might be raised that, if the government were intent upon de-nationalization, what difference would it make whether it took place at a profit or at a loss? The reasons motivating the government are other than economic anyhow. But even government action must be considered to have some economically rational basis sometimes. Consequently we will conveniently assume denationalization to be undertaken with a view toward avoiding financial loss to the government.

[14] Central Statistical Office, London, *Monthly Digest of Statistics*, #68, August 1951, Table 153, p. 124.

[15] NCB, *Report, 1950*, Schedule 1c, pp. 108-109.

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in 1950, with net additions to plant and machinery still dominating the picture.[16]

It certainly cannot be denied that the acquisition of new machinery, the reconstruction of old collieries, and the development of new sinkings, which will continue for at least the first ten years of nationalized control, have occurred and will continue to occur during a period when the prices of labor, materials and equipment are all inflated and far above their "normal" (average) level.[17] If the National Coal Board were instructed to dispose of its holdings during the next year or so, this factor would not be a serious obstacle. The Board would probably not suffer a loss because no serious deflation of prices and values seems possible in the near future.[18] Thus there would be no writing down of the capital value of newly acquired assets or old assets, and the disposition of the assets could take place without loss.

No such optimism is justified, however, if the denationalization process is undertaken after a considerable number of years have passed; for in the long run, it can be expected that prices and values will have returned to a less inflated level.[19] Unless the capital value of the assets is written off at a rather high annual rate, the Board will find itself with a highly overcapitalized financial structure. Any attempt to dispose of assets during

[16] *Ibid.*, Schedule 1b, pp. 106-107.

[17] For example, the capital costs of new coke ovens have trebled since 1939; and the Board will have to build about 175 new ovens a year for many years to come if it wishes just to maintain the present output of coke. This readily shows the effects of inflation on the cost of capital formation. *The Economist* (London), vol. 155, July 17, 1948, p. 112. Also the rise of replacement costs finds many depreciation allowances inadequate to meet current capital replacement programs. *Ibid.*, vol. 154, June 26, 1948, p. 1054.

[18] With the way inflation is currently assuming such serious proportions, the Board might even make a profit if it could elect to sell within the next few years.

[19] This type of forecast is based upon the experiences which most economies have undergone after having been involved in major military conflicts (for example, countries of the world after World War I; United States after the Civil War during 1870's to 1890's, and so on), with all the reservations and hedging necessary when forecasts based upon this type of evidence are made. But such factors as increasing productivity, improved quality of goods and services, rising capital stocks, and so on are characteristics which most post-war periods have in common.

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this period of deflated values will result in a substantial loss for the Board. The fact of the matter is that the Board probably will find itself in this overcapitalized position in the long run for the following reasons:

a. the attempt to have the industry pay its way over a span (undefined) of years which probably will have the same results as the experience of the American railroads under I. C. C. rate supervision;

b. and the pressure of export competition, consumer interest in lower prices, and labor demands for higher wages which will prevent too high an annual charge for depreciation because of the adverse effects on prices. Currently the Board writes off its assets at an average rate of about 6 per cent per annum,[20] with the depreciation allowance being based upon historical costs of the assets, not replacement costs.[21]

Thus we see that even if we assume all other factors favorable to denationalization in the long run, there would still be this possibility of a loss to the government because of an overcapitalized financial structure.

The second factor which could be detrimental to the Board's financial realization on its assets is its unfavorable income experience. In 1947 the industry had an operating deficit of £23 million, while in 1948 the surplus was only £1.7 million. The operating surplus of £9.5 million in 1949 was reduced in 1950 to £8.3 million.[22] In 1947 there was a loss on the current operations of the collieries amounting to £9.2 million. This changed to a £16.2 million profit in 1948, which was further increased in 1949 to a profit on current colliery operations of £29.4 million.[23] The favorable showing in 1949, however, is attrib-

[20] This is an average rate. The actual rates of depreciation charged are 3 per cent per annum on buildings, 25 per cent on new motor vehicles and 50 per cent on old motor vehicles, 10 per cent on office furniture and machinery. NCB *Annual Report and Statement of Accounts for the Year Ended 12/31/46*, HCR #174, 1946-47, p. 22.

[21] NCB, *Report, 1948*, p. 142.

[22] NCB, *Report, 1950*, p. 94.

[23] *Ibid.*

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utable to a rather vigorous but tenuous policy in the export trade.[24] The Board was able to take advantage of an extremely fortunate set of circumstances which allowed it to charge a price on coal going into the export trade about £1 per ton higher than on coal consumed at home. Since exports and bunkers amounted to 19.25 million tons in 1949, it is easy to see that, assuming no change in the home level of prices, the absence of this differential in the export trade could have resulted in a deficit instead of a surplus. In fact the reduction of the surplus in 1950 to £24.2 million was almost entirely due to the serious shortages in domestic coal which forced the Board not only to divert output from the export market to the less profitable home market, but also to import coal from the United States at higher costs to the Board than those incurred in its domestic operation.[25] Indications that in 1951 even greater imports of coal and further diversion from the export market will be necessary in order to make up the serious coal shortages at home suggest that there will be a further reduction in the surplus this year.

Moreover, an analysis of the operating profit and loss for 1949 by types of activity and a further breakdown of the data showing the range of profitability of these activities as between divisions will further indicate the uncertainty of the Board's position. In summary, the results of colliery operations ranged from a maximum profit of £15.5 million in one division to a maximum loss of £3.8 million in another. The other activities also show a disparity in the profitability of operations as between divisions. There were only four activities (manufactured fuel plants, brickworks and tileworks, briquetting plants, and wagon repair shops) in which no division experienced a loss, and three other activities in which losses were negligible. In housing operations, there were no profits at all for the Board in any of its divisions.[26]

In addition, investments have been taking place in unprofit-

[24] *The Economist*, vol. 159, July 8, 1950, pp. 87-89.

[25] NCB, *Report, 1950*, pp. 3-4, 30-31.

[26] NCB, *Report, 1949*, Schedule IX, p. 144.

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able areas. For example, in 1948 there was net capital formation of £4.3 million in a division which experienced a net loss of £6.2 million; in 1949 there was a net addition to assets of £5.8 million in this same division which again experienced a net operating loss, £3.2 million this time.[27] This is obviously an attempt to raise productivity (with concomitant financial improvement) in this division and in the other areas where the same policy has been followed. But in so far as this capital expenditure does not raise these divisions to the level of operating efficiency of the others, it is a misallocation of resources.[28]

This vulnerable financial position could be unfavorable to the Board's competitive status in the market for capital funds. If denationalization were attempted immediately, the Board might consequently experience a loss on its assets in order to call forth the necessary investment funds. But the deficit of 1948 was of an extremely abnormal character and might not be extrapolated into the future by investors; while the current industrial boom in Great Britain certainly augurs no immediate crisis for the coal industry in finding markets for its products. Thus, this may not be an important deterrent to denationalization in the immediate future. In the long run, it may be assumed that current financial profitability is unimportant, so long as the Board complies with the injunction of the Coal Industry Nationalization Act to make the industry pay its way. This factor increases in importance in proportion to the extent of the failure of the Board to comply with this proviso.

The third consideration of a financial character is the possibility that the market for investment on such a huge scale may be disappearing because of the tax program of the British government, aimed at a more egalitarian distribution of wealth and income. Unfortunately, there is no statistical evidence available on the distribution of security holdings by income groups in Great Britain; but the general presumption that

[27] *Ibid.*, pp. 144-145; Schedule 1c, pp. 124-125.

[28] The criterion of economic efficiency is that the marginal productivity (the increment in output resulting from the application of an additional unit of a factor of production to the existing productive facilities) of all factors of production be equal. Deviation from this standard results in a misallocation of resources.

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more is saved out of income and is available for investment as we move up into the higher income brackets does not seem too biased for our purposes.[29] Because of the British tax program, however, there has been a marked redistribution of income in Great Britain in favor of the lower income groups. From 1938-39 to 1947-48, total wages after taxes rose from 39 per cent to 48 per cent of all net income after taxes; the total of salaries after direct taxes fell from 25 per cent to 21 per cent of the aggregate; and the combined category of profits, interest and rent fell from 34 per cent to 28 per cent of the whole.[30] Since the lower income groups consume a greater proportion of their income than do upper income groups, this means that there has been a pronounced shift in consumption patterns in favor of increased present consumption and reduced saving. Moreover, the post-war pressures of inflation, unsatisfied demand, and reduced standards of living have increased the over-all propensity to consume. This has resulted in what *The Economist* calls "a rapid depletion of the free working capital of business enterprises and the virtual stoppage of private savings available for venture capital."[31] This factor will probably not weigh as greatly against the success of denationalization in the immediate future as in the long run. In the near future, private capital would probably be forthcoming to absorb the denationalized industry since the wealth-equalization program has not had time to achieve its maximum effect. But after a long span of years, this could easily become a serious problem, especially since the egalitarian tax program would eventually be reënforced by the steep estate and inheritance tax schedules. Assuming no change in fiscal policy, the only possible offset to this tendency in the long run would be for productivity to rise greatly and cause such a marked general rise in the standard of living that saving becomes easier.

[29] At least this has been the American experience as indicated in the Temporary National Economic Committee Monograph #27.

[30] See *National Income and Expenditure of the U. K., 1946-48*, Cmd. 7649; also *Annual Abstract of Statistics, #85, 1937-47* (London, 1948): Table 257, p. 223; Table 258, p. 253.

[31] *The Economist*, "The Burden of Taxation", vol. 154, June 26, 1948, p. 1054.

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B. Price Policy

It would seem at first glance that the primary problems of denationalization have to do with finance, the mere restoration of ownership to private hands. But further reflection will lead to the conclusion that these financial difficulties are interwoven with more subtle issues. For example, what would be the effect on the price structure of the coal industry if it were returned to private ownership?

If we make the assumption that the industry will consist of 48 private competing operating units, and that the government will continue its present policy against private monopoly organization and control of prices, then the emergent price structure should be competitively determined (in so far as the problems of transportation and location of the mines permit). This would imply an equilibrium position for the industry in which price equals the average cost of the marginal firm, with average cost for the industry below price and some firms (the more efficient ones) making a profit.

Note the problems, however, that this return to competition would raise. Suppose that before denationalization the government maintains its present policy of making price to domestic consumers equal average cost for the industry. This means that there is a misallocation of resources in so far as the inefficient, poorer operating units are being subsidized by the richer and more efficient ones. Thus at present the inefficient mines are losing propositions as judged by conventional business standards. But if they were returned to private ownership, even they would have to become solvent. No longer would they be subsidized by the richer districts. Consequently they would have to raise their prices to a level where the price they charged was equal to their average cost of production; and the more efficient operating units would also raise their price to the same level. Average cost for the industry would be lower than price.

Though this result would not be directly disadvantageous to the new owners of the coal industry, the effects upon the users of coal would be decidedly detrimental. Coal is the predominant type of fuel in Great Britain, comprising 90 per cent of all

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useful fuel consumption.[32] The immediate effect of a return to competitive pricing would be a rise in one of the basic costs of all British industries. This would create an upward pressure on the prices of British goods. Since England is dependent upon a large export trade for her livelihood, the deterioration in the British competitive position in the international market (because of the higher prices of coal and manufactured products) would be prejudicial to the national welfare. The cost of living would rise because of the rise in coal prices and the rise in prices of goods and services the production of which entails the use of large amounts of coal. In the short run, this could cause no significant contraction in the demand for coal because of the durable nature of the equipment using coal (for example, blast furnaces, boilers, and so on). But in the long run, if higher prices persisted, some contraction in demand would result as the British industrial make-up and allocation of resources changed. This would force a readjustment in the coal industry in the form of a contraction and movement of resources out of coal mining.

There is no need to consider what effects of denationalization would be if some other price policy were adopted by the Board during the period of public ownership. The problems would be of the same order; their severity would differ only to the extent that the different price policies give results which deviate in greater or lesser degree from the competitive price structure. Furthermore, the results are not significantly different if denationalization occurs after a short or extended period of government ownership, except for one important factor. This is the improvement being introduced in the industry in the way of standardized classification of sizes and grades of coal.[33] This system could probably not reach its maximum effectiveness for some time; but if denationalization is attempted after this scheme is perfected, the new owners would reap the benefits of a better and more systematically functioning pricing mechanism.

[32] Political and Economic Planning, *op. cit.*, p. 49. This is on the basis of net useful therms supplied in 1945.

[33] NCB, *Report, 1948*, pp. 71-73.

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C. *Labor and Technology*

Another way of approaching price problems is from the cost side. Here there are two aspects to be considered: the effect of denationalization upon labor and technology, as the main factors of production contributing to the cost of producing coal. First, let us consider technology.

The Board is presently engaged in a tremendous program of reconstruction and development of the industry. Capital expenditure is running at an annual rate of £29 million (as of 1950).[34] The rate of boring (developing new sinkings) is three times what it was before nationalization. New conveying, loading and cutting machinery is being installed rapidly with plans calling for a 25 per cent increase in road conveyors by 1951. The Board has just adopted a long-range capital expenditure program amounting to £486.6 million from 1950 to 1961/65.[35] The aim of all this capital expenditure is to improve productivity (output per manshift) and make the industry more efficient. One of the primary reasons for nationalization was the need for capital formation at low cost, capital formation which was not taking place when ownership was widely dispersed in private hands. Obviously the low cost of present funds being used for capital formation is directly attributable to government ownership.[36] If such ownership were to cease immediately, the cost of investment funds would undoubtedly rise because of the poorer credit position in the capital market of all borrowers other than the government.[37] If the costs rose sufficiently, many of the projects would not be completed; and still more would never be started. Productivity would not have improved enough to have such a pro-

[34] NCB, *Report, 1950*, p. 7.

[35] *Ibid.*, Appendix V, p. 167.

[36] The present interest rate paid on 50-year investment funds in the coal industry ranges from 2½ per cent to 3 per cent. See NCB *Report, 1949*, Schedule V, pp. 136-139.

[37] Compare the above with the yields on current new issues of preferred stock which range from 5 per cent to 7 per cent, or the average yields for industrials of 5.77 per cent. See "Records and Statistics Supplement" to *The Economist*, 12/24/49, p. 603; also 11/29/49, p. 60.

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nounced effect on costs of production that capital would be attracted to the industry because of profit opportunities. This would raise a serious problem for denationalization in the immediate future, and the wastage involved would act as a deterrent to such action.

In the long run, however, the technological rejuvenation of the industry will have been completed. Even though capital borrowing at that date would still be more costly to private as compared to government borrowers, this will not be a decisive factor. The major capital-formation projects will have been completed, and the industry placed upon a firm foundation. Productivity will have risen. Capital expansion in the future will not be abnormally large as it is now. The net effect will thus be a lowering of costs and a rise of productivity, in the long run, while there will be no major lowering of costs in the near future. Thus denationalization would not be accompanied by a disequilibrating rise of coal prices due to factors attributable to changing technology, except possibly in the immediate future.

Labor is the other major factor contributing to the cost of coal production. That it is the most crucial factor in the cost of coal is borne out by the fact that wages, which represented 65 per cent of total costs before World War II,[38] in 1949 accounted for 63 per cent of total expenditures by the National Coal Board.[39] This does not include welfare and education and training costs which would add even more to the importance of this factor in total costs. How would denationalization policy be affected by consideration of labor?

We shall have to assume that the unions and labor acquiesce in the return of the industry to private ownership. Although

[38] Political and Economic Planning, *op. cit.*, p. 8.

[39] The total expenditures of the National Coal Board in 1949 amounted to £468.9 million. Expenditures on wages were £284.5 million and holiday pay amounted to £10.8 million. Thus wages as a percentage of total expenditures amounted to 63 per cent. If expenditures for salaries are added (£17.7 million), the ratio of wages and salaries to total expenditures rises to 66.8 per cent. If we also include charges for workmen's compensation, supplementary injuries, and national insurance to the wages bill (£15.7 million), the proportion that labor costs are of total costs rises to 70.2 per cent. NCB, *Report, 1949*, p. 111, and Schedule XII on pp. 154-155.

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this assumption is of doubtful validity because of the long unsavory history of labor-management relations during private ownership of the industry, and the consistently strong stand for nationalization taken by the unions, it is nevertheless a necessary assumption in reducing the problem to manageable proportions. The first step in the analysis is to consider what would happen if the industry were immediately denationalized.

Obviously, the composition of the personnel would not change; the same personnel would be carried over into the new private setups with only minor displacements. The new owners will have to deal with a powerful union which is demanding a 5-day week with improvements in compensation and welfare benefits.[40] The new owners would have thrust upon them the very real problems of training, recruitment, and administration of welfare schemes. But on the whole, if denationalization were to occur in the immediate future no really formidable problems would arise from the labor side. The labor-management machinery is already in operation, the only problem would be adapting it to the new situation.

If the industry were denationalized after many years, however, the problems would not be so easy to cope with. For example, suppose the Board equalized wage rates for similar jobs throughout the industry, regardless of whether the men were employed in more productive or less productive mines. Then, if denationalization took place, the new operators of the less efficient units would be faced with the problem of paying disproportionately high wages. The misallocation of resources under national ownership would necessitate either a rise in prices by the less efficient units with all the attendant disequilibrating effects, or a scaling down of wages in these units which would be a practical impossibility. In all probability, the complete equalization of wage rates will not occur. But even if the present wage structure is retained, a policy of charging a price

[40] Among other things, the National Union of Mineworkers is also demanding a second paid week of vacation, upward revision of wage differentials, the closed shop, a national scheme for allotting cheap coal to the miners, and cost-of-living bonuses. Jean A. Flexner, "Great Britain, Coal Mining Since Nationalization", in *Monthly Labor Review*, vol. 70, #1, January 1950.

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which covers the average cost for the industry would still result in a pressure for the new owners of the inefficient units either to scale labor costs down or be forced to charge the higher price consonant with their level of average costs. Thus this factor would act to deter denationalization, as would also the factors of maintaining the training, education and welfare schemes developed during public ownership.

On the other hand, the new owners would reap the benefits of the training and recruitment schemes which were in operation during the period of nationalization. A better trained working force of higher productivity may be developed, and such an advantage would act as a partial offset to the problem of wage adjustment. The greater weight which attaches to the wages problem, and the likelihood that it may become a reality because of the pressure of the National Union of Mineworkers, support the presumption that the problems of denationalization arising from considerations of labor would be quite serious.

D. Distribution

There is yet another group of difficulties which could conceivably accompany the denationalization process. These arise in connection with distributing and marketing coal. Coal distribution is characterized by high costs resulting from the multiplicity of small private distributors. Even before nationalization an effort was made at centralized selling in order to raise receipts for the private operators by making the marketing mechanism more efficient. After nationalization a marketing division was established within the National Coal Board organization. This division arranges for the first sale of the coal from the pit, supervises the operation of the 840 retail depots which the Board acquired through nationalization, negotiates with exporters to handle coal exports, and sells on a wholesale basis in some instances.

Because the Board is such a large distributor in its own right, it is in a position to force more efficient practices to be adopted. But the effectiveness of such indirect pressure in lowering costs can only be realized after a considerable period of time. If denationalization were undertaken immediately, the problems of

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high costs of coal distribution will certainly not have been removed. Inefficient practices may persist; but, more important, the lever by which inefficiency could have been reduced will be lost. In the long run, the policy of indirect competition with private distributors will have been more effective in reducing costs, and denationalization will leave fewer problems of high distributive costs.

Under nationalization, area selling of coal is being supplanted by divisional selling.[41] In effect, this means that the areas per se have less in the way of personalized contact and dealing with the consumers than if the areas themselves were their own selling agents. If denationalization into 48 operating units should be attempted, there would follow a scrambling for clientele by the new firms, and an investigation by consumers as to their best source of supply. Sales organizations would have to be established in each unit, and production would have to be adjusted to the efficiency of the selling divisions. Changes in the structure of costs and prices would be required. This problem would be more widespread and of greater importance in case denationalization took place after a long period of public ownership, rather than immediately, because the program of centralization of marketing on a divisional level will take time to complete. But even now the problem would be formidable inasmuch as many collieries have not had any substantial control over the marketing of their coal since before World War II. Of course, in either case, the public welfare will be reduced in so far as unnecessary duplication of selling activities and expenses results from the decentralization and derationalization of the marketing process.

IV. *Conclusions*

This investigation was initiated with the purpose of determining what kind of economic problems would arise, if an attempt is made to reverse the trend toward increased economic planning and ownership of basic industries as a national policy. In order to do so, a hypothetical situation was postulated, specifically that the people of Great Britain decided to denationalize

[41] NCB, *Report, 1949*, pp. 44-45.

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first the coal industry and then all other major publicly owned industries. Then an analysis of the specific economic problems attaching to the denationalization of the coal industry was undertaken, with the hope that, from this specific analysis, the configuration of the general problems of denationalization could be deduced.

These problems were found to be divided into four groups: financial, price policy, labor and technology, and distribution.

The exact form the problems take depends upon the institutional background and heritage of the industry under consideration. It will vary from country to country, and industry to industry. Difficulties that might be of a transitory nature in one nation could be almost insurmountable elsewhere. The level of economic development, the distribution of income, social philosophy, balance of power within industry, notions about the optimum economic structure of a country—all these factors would condition the perspective in which these problems would be viewed and likewise determine the manner in which they would be treated.

The conclusion which stands out most clearly is that denationalization would not be an easy policy to carry out, because of the variety and complexity of the issues that would require attention. When more than one industry is considered, the complexity of the process becomes even more formidable, and the noneconomic implications could very easily dwarf the economic problems completely. The social organism is similar to the biological organism in the manner in which it selects or rejects internal changes in its structure. But the selective process, determining the survival or nonsurvival of social institutions, is also harsh and holds within itself the power to destroy the whole social organism during the process of rejection. For this reason, it is imperative that there is a complete recognition of the implications of a change in social policy, and a willingness on the part of a majority of the people to accept the consequences of such change. It is not easy to turn back.

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REVIEWS

The Life of John Maynard Keynes. By R. F. HARROD. London, Macmillan & Co. Ltd.; New York, Harcourt, Brace and Co., 1951.—xvi, 674 pp. $7.50.

John Maynard Keynes was one of the most extraordinary men of this generation in the English-speaking world, and among the most powerful. The governments of many lands hearkened to him, and many of them, though in varying degrees, followed his teachings. No economist since Adam Smith, and no other public figure of recent decades, has so greatly influenced the peacetime lives of so many people in the Western World. Yet he never held high legislative or executive office, save for the Barony to which he was appointed near the end of his life. His power was the power of persuasion, of glittering logic, of vivid and sometimes flaming imagination coursing new highways. Whatever judgment patient scholarship and historical events may ultimately pass on his analyses, proposals and conclusions, the reality and the vehemence of his impact on his own times are beyond debate.

One must go back to the men of the Italian Renaissance to find such combinations of first-class achievements in such diverse fields. A man like Cellini, though working with far different materials, would probably have understood Keynes's essential spirit well. Keynes's range was enormous. He was the most brilliant economist of his day, at once a rigorous theoretician, a devastating critic of national economic policy, and a persuasive proponent of new ideas; a successful business man (after an initial near-catastrophe) and a penetrating biographer; a guiding patron of music, the theater and the ballet; Trustee of the National Gallery; distinguished and revered University teacher; foreign-exchange expert; collector of fine books and pictures; influential in Liberal party politics; an orator surpassed by few; skillful, admired and extraordinarily effective international negotiator; a leading architect of the post-war economic world; withal usually warm, generous, gay, witty, kind (save in debate or in negotiation!), and fundamentally concerned to better the lot of mankind. Such a combination of scientist and artist, of hard-headed practical administrator and selfless idealist, is rare indeed.

To write the life history of a man like that is no easy task. Mr.

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Harrod, himself long an affectionate admirer of Keynes and deeply indebted to him on many counts, has done it admirably, and in the doing has added substantially to his own stature. He has here, and I believe properly, paid least attention to the content of Keynes's theoretical economic constructions, leaving detailed comment on them to the professional literature of economics. There are long discussions of the technical problems Keynes set himself and of the general lines of solution he sought, it is true, but no attempt is made to formulate or even to forecast " the " final professional judgments of Keynes's positions. Rather, Mr. Harrod has in the main undertaken to describe—sometimes, perhaps, with too little critical appraisal—what the innumerable different kinds of things were which Keynes was interested in, what he tried to do about them, and what he achieved.

The result is a fascinating account of some of the most powerful intellectual, cultural and political forces that have shaped England since the turn of the century. In the main, of course, these were forces already in existence, which worked on Keynes and to which he responded; but in some measure, also, a number of them were materially influenced and even set in motion by Keynes himself. From the days of the 1918 Armistice and the Versailles conferences onward, he had a happy faculty for getting frequently and intimately involved in Great Events, and for leaving his characteristic mark on them.

The three principal elements which shaped Keynes, apart from his genetic constitution, were his family, Eton and his undergraduate life at Cambridge. The intimacy, warmth and power of his relations with his parents must have been unusual, but hardly unique; and Eton and Cambridge or their analogues were the common heritage of many tens of thousands of young men. Mr. Harrod's description of these earlier years of Keynes's life is in some ways the most interesting part of the book, for it is also an epitome of the general matrix of influences and training in which so large a proportion of the leaders of England in the era now past were developed. Especially striking is the repeated demonstration that, at least in Keynes's day, " the main part of an undergraduate's education is derived from other undergraduates " (p. 59), not from lectures or laboratories; most American universities would do well to ponder this simple precept. Almost equally interesting are the dramatic passages, chiefly in connection with the Anglo-American Loan negotiations and the Savannah conference, in which Mr. Harrod projects himself into Keynes's assumed consciousness and mirrors back the probable stream of Keynes's thoughts. It is a bold and imaginative effort, of high literary quality, and, so far as judged by my own incomplete personal knowledge of Keynes himself and of

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the events in question, rings very true on nearly all the essential matters.

No biography dealing with so versatile and many-faceted a man as Keynes, and compelled to include necessarily fragmentary accounts of so many phases of recent international history and of so much technical economic material, can entirely satisfy all readers or even a few. One critic will object to one group of items, another to another, and both may well be more right than wrong. I should myself question certain matters of detail, especially in connection with the termination of Lend-Lease; and the Bloomsbury sections have a curious unreality, as though populated largely by papier maché figures. More important, however, is the feeling of incompleteness with respect to Keynes himself which the book left in me. Despite the exhaustive and devoted scholarship, the wealth of detail, the innumerable quotations from personal letters and the sensitive flights of Mr. Harrod's own imagination, Keynes the man does not quite come alive as a real and convincing person. He is here, he is there; he is this, he is that; but in this book he does not quite hang together as a single human being. Yet I think all who knew him would agree that, however complex and superficially inconsistent he often seemed, a very warm and simple man really did stand smiling behind the glittering and sometimes thorny façade. Perhaps there was simply too much of Keynes to be squeezed within the covers of a single book.

And perhaps I am wrong in this criticism, after all not very serious, of Mr. Harrod's work. For the book itself, whatever one may think of certain details, is a skillful and powerful account of one of the great men of our era, and of his movements through some of the most significant problems and events of that era. Historians, economists and political philosophers will alike find themselves in Mr. Harrod's debt, for he has done his work well.

COLUMBIA UNIVERSITY JAMES W. ANGELL

The Growth of English Society: A Short Economic History. By E. LIPSON. New York, Henry Holt and Company, 1950.—ix, 467 pp. $5.00.

This book, " the fruits of forty years' study " of the subject, will interest the student in its general approach or as revealing the economic and political faith of an important historian; it can be of very considerable value, both as exposition and stimulus, to the general reader. It is superbly organized; and, despite an often jarring absence of commas, it is eminently readable.

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The absence of a list of supplementary readings is serious, for some of the positions and revisions are certain to arouse the reader's curiosity or his ire, and he ought to be led easily to other authors and greater detail. Omissions of fact, missing qualifications, and debatable emphasis are easy to find. The growth of cities and their demands, both human and material, are insufficiently stressed. There is a failure to mention the part of scientific interest and enthusiasm in expanding technology. The absence of Benthamism as a factor in the reaction against *laissez faire* is serious. The Grand National Consolidated Trades Union is presented (p. 401) without any suggestion that it was the culmination of a series of attempts at general union, and certainly it is inaccurate to say unqualifiedly (p. 262) that working-class energies after the collapse of Chartism were diverted into nonpolitical channels. But the heroic task of reducing so complex a history to so small a compass makes such sins venial.

The basic approach is more important. As readers of his larger history will be aware, Mr. Lipson is concerned to revise the standard, and chiefly the Marxist, patterns of the English development, a task both useful and interesting. That individualism and capitalism have a venerable history, that the domestic system had its sordid aspects, that the great inventions had a long gestation—these are matters worth revealing. At some point a historical accumulation changes in nature, and the location of the break is best seen from our present realization of what has been significant, and not alone by going along carefully with the unfolding of events. In this book the proportion sometimes goes awry in refinement. The factory system and its horrors are often mentioned, but somehow lose the force we can see they had for contemporaries who could remember a merrier England; the fact that "ultimately" factory legislation and a trade-union movement bettered the lot of the worker does little to relieve the appalling interim. Again, he is at pains to point out the long ancestry of the canon of economic freedom and that *laissez faire* reached its peak in the eighteenth century. After the Napoleonic wars the trend to state intervention was marked, but it was then also that political economy really took hold among the governing classes beyond the entrepreneurs and the intelligentsia, and that *laissez faire* became a powerful rallying cry which Mr. Lipson can still cite in relation to an event of 1930. In democracies or in societies pressing toward democracy, most events and ideas have their real historical impact when they enter popular consciousness. It is a bit ridiculous to refer to Thomas Attwood (p. 383) and to say simply that there is no novelty in current theories of full employment; current theories of full em-

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ployment are generally accepted and put into practice, and that is novel indeed.

Mr. Lipson appeals, like the liberal Tories, for a balance of individual drive and collective forethought; he writes as a liberal, with great faith in the rightness of economic freedom. He is concerned also to show how the pendulum has swung. So the mercantile system becomes the first planned economy, with the implication that the second planned economy is similarly misguided and ripe for drastic modification. This is an unfortunate trick, for there are too many differences, in motivation and effectiveness, between present planning, with all its mistakes, and the jumble of inherited and *ad hoc* regulations of the early modern age, directed, as he points out, to power and not to welfare.

He seems unwilling to accept the full implications of his concise summary (pp. 419-20) of the temporary nature of the factors which made the economic freedom of the nineteenth century possible. There is in the epilogue a wistful glance at England's greatness, which he believes can be maintained only by a free commercial system and the spirit of enterprise. Surely, English greatness has been more than economic and dependent, seventeenth-century writers notwithstanding, on more than trade. It is still permissible to believe that, despite the cruel difficulties of the times, and given the kind of vitality so evident in the country today, Britain may make moral, social and artistic contributions worthy to rank with her constitutional contributions, and far surpassing the *Pax Britannica,* the empire, and the emporia of a century economically unique, morally lamentable, and esthetically disastrous.

WESLEYAN UNIVERSITY R. K. WEBB

Le Grand espoir du XX^e Siècle: Progrès technique, Progrès économique, Progrès social. By JEAN FOURASTIÉ. 2d Edition. Paris, Presses Universitaires de France, 1950.—xxiii, 223 pp. 320 fr.

La Civilisation de 1960. By JEAN FOURASTIÉ. 2d Edition. Paris, Presses Universitaires de France, 1950.—118 pp.

As one of the architects of post-war French economic planning, Jean Fourastié holds a responsible position in the Monnet Plan organization and is a professor at the *Conservatoire National des Arts et Métiers.* The challenging series of books which he has written since the war not only deserve recognition in their own right, but

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also represent the views of a leading participant in the rebuilding of France's crippled economic machine.

Both *Le Grand espoir du XX^e siècle* and *La Civilisation de 1960* follow the planners' technique of taking stock of the French position in a changing world economy. In each book, Fourastié refuses to suggest palliatives for French business or to predict the immediate future. Instead, he seeks to foresee the trend of economic development over a long period, so that the sweeping lines of his analysis will point the general direction for short-range planning.

Le Grand espoir du XX^e siècle, Fourastié's most substantial work, supports his earlier theories with a greater weight of evidence drawn from his study of past economic progress. The author acknowledges a deep indebtedness to Colin Clark, the Australian student of world economic productivity and self-styled practitioner of "applied economics".

Fourastié is concerned with the problem of measuring productivity, and tries to use the gauge of production per hour of labor in comparing productivity in different nations and in different periods. Like Clark, Fourastié starts with the fundamental assumption that economic activity is divided into three major categories: primary, or agricultural activity; secondary, or industrial production; and the tertiary category. He differs from Clark by defining the tertiary as all economic activity in which technological progress has played a negligible part. This catch-all category, although more precisely stated here than in Fourastié's earlier *Esquisse d'une théorie générale de l'évolution économique contemporaine,* is the easiest to criticize. As Fourastié himself points out, it runs the gamut of professions from "the President of the Republic to the doorman at the *Élysée*".

Under the impact of the great technological progress since the eighteenth century, one nation after another has entered what Fourastié calls the transitional period. This lies on the road between the traditional agrarian economy of the past and the new period of stability described as tertiary civilization. This new era, which some nations may reach in 1960, is characterized by the saturation of the consumer market with primary and secondary goods. As technological progress continues, more workers enter the tertiary field of economic activity, until they comprise about eighty per cent of the total labor force. Fourastié further estimates the tertiary production will double, provided each worker spends approximately 2,000 hours per year at his job, until it represents over eighty per cent of the total national production.

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A considerable section of *Le Grand espoir du XX^e siècle* measures comparative national progress along the road to tertiary civilization. Nations pass through three stages: the *démarrage,* in which the bonds of traditional economic life are painfully cast off, the expansion of secondary production, and, finally, the achievement period, during which primary and secondary production reach the saturation point. Although tertiary civilization is characterized by a new equilibrium, such nations as Britain and France suffer a temporary retrogression. Their economy becomes unbalanced, since they must fill their primary and tertiary needs by selling secondary products whose value is steadily depreciating.

These arguments also run through *La Civilisation de 1960,* the shorter version of Fourastié's work, condensed for the general public to fit the *Que sais-je* series, published by the Presses Universitaires. Here Fourastié puts greater emphasis upon comparisons between national standards of living, as measured by real individual income and property, and between national modes of life, which he defines as characteristics of civilization which cannot be measured in monetary terms. In particular, he dwells upon the great expansion of tertiary activity, which will increase as fewer man-hours are required to supply the world's primary and secondary needs. The extension of education, new concern for public health and welfare, and new uses for leisure all reflect an increasing emphasis upon tertiary activity. Fourastié combats contemporary French pessimism by describing the new life under tertiary civilization, illustrating his predictions with a rather roseate picture of life in the United States. This nation, where over fifty per cent of the population now pursues tertiary occupations, shows Frenchmen the way to make better use of their own tertiary resources.

Both French and British critics have objected to generalizations and details in this outline of future economic development. It is easy to find nations whose economic history deviates from Fourastié's pattern, and still easier to challenge his broad application of limited statistical evidence. The author freely admits these deficiencies, and writes in a fashion to invite constructive criticism of his work. On the other hand, the great hope of the twentieth century could be utterly blasted by the devastation of another period of total war. To be sure, Fourastié demonstrates with some success that the Second World War did not distort beyond correction the long-term trends which he traces. On the contrary, the war accelerated the progress of the United States toward the stage of achievement. Still, it seems

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impossible to reconcile the bright picture of Fourastié's *La Civilisation de 1960* with the hopeless stagnation of George Orwell's *Nineteen Eighty-Four*, which foresees a nightmare world of permanent war and inescapable regimentation.

EDMUND A. BROWN

NEW YORK CITY

Human Action: A Treatise on Economics. By LUDWIG VON MISES. New Haven, Yale University Press, 1949.—xv, 889 pp. $10.00.

All human action involves choice. The principles of choice are universal and are valid for every human action without regard to underlying motives, causes and goals. Economics is a science of human action. These are the basic presuppositions of Von Mises' treatise.

In equating economics with the theory of choice and preference, the author transcends the scope of classical economics. To the classicists economics was an autonomous and self-sufficient science. To Von Mises, economics is part of the larger science which is called praxeology, that is, the science of human action. Traditional "economic man" calculated his action to get maximum of gain, minimum of cost. To Von Mises, economic behavior involves the calculation of *all* kinds of satisfactions, moral and aesthetic, the ideal and the base. The classicists drew the boundary line between economic and noneconomic behavior. Von Mises regards the economic and noneconomic as two inseparable phases of human life and action. The classical economists subordinated human action to economics, whereas Von Mises subordinates economics to human action generally. For the classicists (and the socialists and institutionalists) value precedes price; for Von Mises (and the marginalists) price precedes value.

The function of science in the view of the author is truth, not utility. The purpose of science is not application but insight into human motive. Hence economics is a formal science. Its theorems have no empirical content. Its propositions do not derive their validity from empirical observation. The ultimate yardstick of the correctness of economic theory is "solely reason unaided by experience."

Thus Von Mises' methodological views make a sharp separation between theory and practice, reason and experience, means and ends. Economic theory is independent of economic practice. The former is superior for it is stable and secure; the latter unstable and fleeting. Economics does not deal with the external environment; it is not about things and material objects, but about subjective feelings, and the

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meaning of men's actions. Economics is neutral regarding judgments of value since it refers " always to means and never to the choice of ultimate ends."

But how does Von Mises connect theory and practice, means and ends, subjective and objective? If there is no correspondence between economic theory and practice, in what sense can theory be relevant to the solution of concrete problems? If, as the author holds, economics is a science of means, not ends, what certainty is there that the choice of proper means will lead to the desired ends? And how can choice, which, in the author's view, is purely subjective, yield market price which is objective?

The central thesis is that the market is the *only* system of organizing economic activities. Interference with the free market is interference with the freedom of human activity. Governmental action always means coercion and compulsion. Freedom in the political and social sense is not possible without the institutions of the free market.

The center of gravity is the individual, his supposed freedom of will, autonomy, and rational behavior. The state, collective bodies, and institutions of economic life are dissolved into atoms; economic reality is made the result of purely individual effort. Full employment, the maximum utilization of natural resources, these are to be achieved not by planning, but by spontaneous economic calculations of free individuals. Planning, he says, would mean the complete lack of rational calculation; it would actually induce irrational behavior. The process of evaluation is essentially a process of choice, and choice to Von Mises is subjective and individual, not a social affair. Habit, custom, social approval and disapproval, instinctive drives, do not affect the logic of the individual's choice. Habit and custom may only perpetuate, not create. These are regarded as anomalous, temporary blocks in the path of individual judgment.

Thus Von Mises admits no structural change in the economic system. Monopoly, trade union, and state regulation are all treated as data of history or are consigned to the dark area of Lionel Robbins' " sociological penumbra ". These may deform temporarily but cannot destroy the market equilibrium.

That the market can be made free, that calculation is always in terms of individual gain, that the individual is always rational, that an individual always weighs alternatives in scales of logic, that self-interest is clearly perceived, that social and political freedom depend on the freedom of the market, that only means are open to choice and never ends—all these are to Von Mises self-evident, *a priori* propositions.

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When Von Mises makes economics a deductive science, he does not do justice to scientific methodology. The latter includes an examination of economic doctrines not merely from the standpoint of deductive logic, that is, demonstrable proof, but also from the standpoint of proper induction. It is not enough to show that economic theory is free from contradictions and logical fallacies, it is necessary also that the doctrine conform with observable facts.

Von Mises is on solid ground when he makes price a market phenomenon, and price theory the heart of economics. That value is relation, and not a substance, is a more fruitful conception than the absolute theory of value. In this respect Von Mises is anti-metaphysical. But the validity of these conclusions in no way depends on his methodological preconceptions.

ALEXANDER BRODY

COLLEGE OF CITY OF NEW YORK

The Political Collapse of Europe. By HAJO HOLBORN. New York, Alfred A. Knopf, 1951.—xi, 207, v pp. $1.85, Text; $2.50, Library.

Professor Holborn believes that the dominant position of Europe in the political history of the world has gone for good. This process started with the First World War, won by the Western European Powers only by decisive American intervention. It has gone much further since. Today, after the Second World War, Western Europe must even rely on such support in order to remain master of its destiny on the continent itself. The political center of gravity of Western civilization has moved across the Atlantic to the Americas which are conceived as the Western extension and at the same time an essential part of that culture.

There will be few, apart from Communists and fellow travelers, to whom the truth of that thesis does not appear evident. Yet many may still be either unable or unwilling to draw the proper conclusions from this basic change. This fact fully justifies the task which Dr. Holborn has set himself. In a broad sweep from the Middle Ages to the entry of the United States into World War I he shows how the system of European world hegemony worked. In the second half of the book, dealing with the period from 1917 to the present, he explains how and why it succumbed.

In taking this line the author's narrative and interpretation of historic events are far more interesting than his direct marshaling of evidence to prove a little-contested issue. Yet, in either respect he

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has fully succeeded in the first part of his work. In a clear and succinct way he sketches indeed a history of the evolution of the system of European power—then world power—politics.

As to the second part, condensations and sometimes rather vague and sweeping abstractions—certainly largely due to limitations of space and possibly also due to the controversial complexity of specific issues—somewhat obscure his deductions. Professor Holborn's over-all presentation, however, remains sane, well reasoned and stimulating, though of course quite legitimately subject to different interpretations at points.

Thus his contentions that the medieval Church basically "promoted national diversity" (p. 4) or that "Westernization of the world is the single dominant factor of modern history" (p. 8) will appear to many as rather too sweeping. Outstanding scholars like Vernadsky would rate the influence of Byzantium on medieval Russian culture higher than the author does (p. 10). The remark that "the revival of the nationalities of Eastern Europe had begun in the early nineteenth century" (p. 93) and not at least a generation before may well be challenged. The statement that the London conference of 1912-13, grappling with the problem of a stillborn Albania but failing as to the more important issue of securing Serbia's outlet to the sea, came close to "the restoration of a European concert" (p. 78) appears somewhat off the mark. On the other hand, Professor Holborn's evaluation of Metternich's system strikes a happy balance between its glorification by a neo-conservative school and the negativism of nineteenth-century liberal historiography. On the whole the general presentation of the nineteenth-century balance-of-power system and particularly the discussion of Bismarck's statesmanship are excellent. So is the exposition of Wilson's policy. The difficult analysis of the treaty system of 1919 is lucid.

Yet, in the following it might have been made clearer that the subsequent sweeping reduction of the reparations could never quite blot out the psychological effect of the original demands on the German people (p. 109). The somewhat cryptic remark "that the conditions resulting from total war demand for their cure total diplomacy" (p. 110) needs further explanation. So does the statement that at Versailles "Lloyd George had already seen to it that Poland was kept within bounds defined by the principle of national self determination" (p. 127). The observation that the German inflation of 1922 was due to "the inability of the German republic to put its finances in order" (p. 135) does not go to the core of the matter.

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On the whole this section dealing with the inter-war period up to Hitler's seizure of power in Germany appears to be the relatively weakest part of the study. Yet the following unorthodox discussion of National Socialist policy, the Russo-German pact of August 1939 and the analysis of Allied war strategy make stimulating reading. As to the well-annotated bibliography, the inclusion of a larger number of titles in foreign languages would have been warranted according to the author's own principles of selection (p. 195).

Some of these and other points are not the customary " minor ones " questioned in the evaluation of a valuable book. Still it is a valuable book which would amply deserve the publication of a second revised and enlarged edition.

ROBERT A. KANN

RUTGERS UNIVERSITY

Unite or Perish: A Dynamic Program for a United Europe. By PAUL REYNAUD. New York, Simon and Schuster, 1951.—xvii, 215 pp. $3.00.

The Second World War, adding its havoc to the First, finally sealed the doom of those centers of power which for some centuries had been in Europe. Since 1945 there has been taking place a process of crystallization around the two poles, Washington and Moscow.

Nevertheless, even those components of Europe outside the sphere of Russian control still contain too great a potential of resources, power and skills to be able to remain aloof from the present conflict. Should the " cold " war degenerate into active hostilities, Europe would provide a battleground and might furnish the margin for victory to either side. For the longer run, the totality of this Western Europe has the possibility of emerging as a power in its own right comparable to the two giants now in existence.

But to this end union is indispensable, and the present book is a further plea for the creation of the European Third Force which so far has failed to materialize. Couched in elementary, at times oversimplified, form, the book is addressed primarily to Europeans; but it is useful for Americans, sometimes too impatient of Europe's divisions, to have the case for union presented by a European, of necessity more aware of the roots and magnitude of the obstacles to union. It carries, in addition, the prestige of its author, long prominent in the politics of France and her Premier in the fateful May 1940.

The concept of European unity is old and has had a distinguished list of advocates through the centuries. The Nazi concept of unity

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through German domination logically led to conflict. At the same time, the war which destroyed Nazi Germany, in itself and in its aftermath, by shaking the old structure to its foundations, has created a period of malleable fluidity that furnishes an opportunity of new creation. It is this condition which must be exploited, though time is running out, before either things recrystallize into their former pattern or conflict breaks out anew.

The desire for unity has found expression in the activity of many individuals and organizations, finally giving birth in December 1947 to the "International Committee of Movements for European Unity" and leading to the creation of the Council of Europe.

Churchill was right in 1946 in stressing the importance of Franco-German relations. These are crucial, for, while there are many other units in Europe, certainly there can be no hope for unity if these two countries persist in conflict. Hence the significance of the Schuman Plan. It is easy to stress the difficulties of this proposal, of which even its French drafters are well aware. Its virtue lies precisely in its originality and boldness. Inevitably, and with justification, suspicion of Germany will die hard in France and elsewhere. All the more reason for trying to involve Germany in arrangements which, while granting her rightful place in Europe, might interfere with her future independence of action. This, at least, would seem the more hopeful approach, and the French have been sound in concentrating on the political implications of this ostensibly economic scheme.

But it is just these political implications which have caused Britain to withhold participation in a plan involving some surrender of sovereignty. M. Reynaud has little tenderness for or patience with Socialists, whether British or other. Every allowance being made for the special British case, the least that can be said in this instance is that the Labor government has been guilty of provincialism and lack of imagination. There is justice in M. Reynaud's observation that if one insists on being doctrinaire to the point that united Europe shall be Socialist or nothing, the chances of its being nothing are vastly increased.

These same difficulties are responsible for the timorous ineffectiveness of the Council of Europe, hamstrung by the controlling influence of its Committee of Ministers unable to rise above the parochial defense of narrow and immediate national interest. The Council of Europe, in the formation and activity of which M. Reynaud has played an active part, is a concept with great possibilities, but it stands in danger of degenerating into a talking club even less effec-

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tive than the defunct League of Nations. A realist, M. Reynaud sees and faces the situation clearly: "We must either go forward, or abandon Strasbourg to those with nothing else to do but visit the cathedral and gossip about a united Europe around a bottle of wine" (p. 210). Therefore, Unite or Perish.

René Albrecht-Carrié

Barnard College
Columbia University

Europe Between Democracy and Anarchy. By Ferdinand A. Hermens. Notre Dame, University of Notre Dame, 1951.—xix, 291 pp. $4.00.

It is the thesis of this book that the United States, Britain and the British dominions have been the only democracies able to outgrow the spirit of negation in which modern democracy was conceived in the age of absolutism as a means to weaken any governmental power over human beings. Only these countries, in creating strong and stable executive institutions, achieved that balance of freedom and authority without which no state can exist. To the author Britain is the most important example of "positive democracy", since her constitution had the greatest influence on Europe and the world at large and since the political life of other countries offers more points of comparison with Britain than with the United States. Professor Hermens finds the key to the strength of the British constitution in the strict adherence to the majority vote, which in his opinion is the only system that can produce over a long period of time democratic governments capable of meeting the vital political needs of a nation. Any departure from majority voting and, worst of all, the acceptance of proportional representation open the gates to the spirit of negation and are likely to lead to anarchy. Continental Europe, whose post-war constitutions use P.R., has only "negative democracy" and is threatened by anarchy.

Europe Between Democracy and Anarchy, the second publication to appear under the auspices of the Committee on International Relations, University of Notre Dame, is an extensive study of the voting systems of Europe divided in two major sections. The first one deals with Britain, the French Third Republic, Italy before Mussolini, Weimar Germany, to which brief reviews of some of the small European countries are added. The second section treats France, Italy and Germany after the Second World War and makes some observations on recent developments in Austria, Israel, Japan and India. A rich material has been brought together in the book to illustrate the ob-

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stacles that P.R. and kindred voting systems place in the way of the formation of strong democratic governments, and the study will rank high among the treatises arguing the danger of P.R. But it remains doubtful whether the weaknesses of European democracy can be so simply traced to P.R. and whether a satisfactory comparative appraisal of voting systems can succeed without studying them in the wider context of the general political forces in which they operate. Professor Hermens is not entirely unaware of these shortcomings when he promises, in his preface, future studies on conditions which determine the success or failure of democratic government and when he occasionally warns against the disregard of the differences between the political life of Britain and the Continent. He assigns, however, to P.R. an independent and vital rôle in undermining the foundations of democracy and grounds his negative judgment almost exclusively on a comparison of election results.

Majority voting in the United States and in modern Britain has not aroused strong opposition, since the two major parties did not disagree on the fundamentals of alternate democratic government. The "outs" could, therefore, gracefully accept not only the temporary rule of the "ins" but also a temporary diminution of their representation beyond their actual minority vote. In both countries the two-party system has shown an impressive strength to subordinate religious, regional and class divisions to national political issues. No doubt, majority voting has been an important instrument to help the two parties preserve their capacity for political integration. But majority voting by itself did not create these parties and could do so even less if it were generally accepted on the Continent still plagued by denominational, linguistic and social cleavages which have often enough led to the radical challenge of the democratic process itself.

While the author neglects to probe more deeply into these general problems, he also makes special claims for the advantages of majority voting and the disadvantages of P.R. which are right only with very strong reservations. A few examples must suffice here. The contention that majority voting favors the moderates is not generally true, as the fading away of Liberal representation in the British parliament shows. On the other hand, the long-continued existence of a strong popular vote for the British Liberals does not bear out the statement that electors do not like ineffective ballots. Even more fundamental objections must be raised against the great effect that P.R. is supposed to have exercised on the rise of fascism in Italy and Germany. Its major causes lay in the weakness and division of the other parties and had little connection with P.R. If, for example, the

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German Social Democratic and Center parties had been willing to stand together firmly in the defense of democracy, events might have taken a different course. As a matter of fact, the German elections of 1930 might never have taken place in this case, since the *Reichstag* had two more years to go.

The historical conclusions drawn by Professor Hermens require careful examination in the light of general considerations. So does his spirited suggestion for a "political Marshall plan". The reviewer wholeheartedly agrees with the author's belief that we should take an interest in the democratic institutions of Europe, but the discussion of voting systems is too small a basis for the building of a comprehensive plan. Actually the two countries in which communism is strongest, France and Italy, have entered upon an era of amended election laws since this book was finished. With regard to Germany, Mr. Hermens is carried away by his scientific crusading spirit. He suggests that the Allied countries should use the reserve powers of the Occupation Statute and abolish P.R. as a threat to the preservation of democratic government in Germany. But, quite apart from the fact that American military government since 1946 not only tolerated but rather promoted P.R., it could hardly be argued that P.R. constitutes at present a major threat to German democratic institutions.

HAJO HOLBORN

YALE UNIVERSITY

The British Overseas: Exploits of a Nation of Shopkeepers. By C. E. CARRINGTON. London and New York, Cambridge University Press, 1950.—xxi, 1092 pp. 42*s.*; $9.00.

The author of this volume is already known as a thoughtful and provocative commentator on the history of the British Empire-Commonwealth. In his interpretative booklet, *An Exposition of Empire,* published in 1947 by the Cambridge University Press in its Current Problems series, he sketched skillfully and attractively the historical background of some current problems of the Commonwealth and its dependencies. The fact that he belongs to a family whose members are widely dispersed throughout the Empire has no doubt been an aid to him in thinking imperially.

In the preface to the present volume Mr. Carrington emphasizes the distinction between the British "empire of settlement" and what he calls the British "empire of influence" and makes explicit what his title suggests, that his main interest is in the former. "The permanent settlements of the British in the empty lands of the tem-

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perate zone", he tells us, "have been the principal objects of my attention." The great British *diaspora* which created the empire of settlement, of which the United States was once a part, has at length run its course; the "expansion of England", an affair of ten generations, has come to an end and can now be looked back upon as a finished story. The author, however, has by no means confined himself to this great theme. He has not neglected British activities in the "empire of influence". India, south-eastern Asia, the islands of the Pacific, tropical Africa, Egypt and the Sudan receive considerable attention, though Anglo-Irish relations are touched on but lightly.

As to chronological coverage, approximately four fifths of the volume is devoted to the period this side of the American Revolution. The author has felt no obligation to be strictly up to date. He gives no account of World War II, and in general he regards the 1930's as his closing decade. Here and there, as in what he has to say about recent developments in India and in Commonwealth relations, he refers to events in the 1940's.

The volume is almost sumptuously illustrated with some thirty portraits and contains a larger number of maps and a few graphs. Brief "arguments" prefixed to the several chapters are useful. Mr. Carrington acknowledges obligations to the *Cambridge History of the British Empire* and to a number of persons who have given him assistance on particular subjects (not specified), but he does not as a rule indicate his sources of information specifically. There can be no doubt, however, that his reading has been broad, long continued, and thoughtful. The main strength of his book, apart from its literary attractiveness, lies in its masterly treatment of big themes in British imperial history since the American Revolution and the organization of material under them. In no other single volume known to me will one find such sound and readable accounts of the colonial reformers and their work, the emergence of the colonial nations, the new imperialism, British activities in Egypt and in tropical Africa, the evolution of the Commonwealth, and the advance and recession of British power in Asia, or such interesting sketches and characterizations of individuals who have played important parts in the history of the Empire.

In recommending Mr. Carrington's book for the use of both general readers and students it is only fair to caution that implicit confidence cannot always be safely placed in his statements. It comes as a surprise, to put it mildly, to read that the Pilgrim Fathers ruled the Plymouth colony with "ferocious intolerance" (p. 28), that the New Haven (why must English authors insist on the form *New-*

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haven?) colony enjoyed "a completely democratic form of government" (p. 30), that the Mason and Dixon Line was the boundary between Delaware and Pennsylvania (p. 53). Granted that these are extreme instances of inaccuracy, there is reason to believe that a complete list of *errata* would run to some length.

ROBERT LIVINGSTON SCHUYLER
COLUMBIA UNIVERSITY

Geography of the USSR.: A Regional Survey. By THEODORE SHABAD. New York, Columbia University Press, 1951.—xxxii, 584 pp. $8.50.

Geography of Russia. By N. T. MIROV. New York, John Wiley & Sons, Inc.; London, Chapman & Hall, Ltd., 1951.—xii, 362 pp. $6.50.

Dr. Mirov and Mr. Shabad both have the advantage, possessed by all too few geographers, of reading Russian fluently and with confidence. Dr. Mirov adds to this ability the claim of knowing Russia "from the inside" although most of his travels appear to have been made in his youth and more than twenty years ago. Mirov has concerned himself with the physical aspects of Russian geography to the exclusion of the economic. Shabad describes in detail the political-administrative units of the Soviet Union with major reference to economic development and especially to urbanization.

Mr. Shabad is an assistant editor of the Columbia-Lippincott *Gazetteer of the World*, his work involving the assemblage of a prodigious number of cards filed according to the political-administrative divisions of the Soviet Union. Russian texts, journals and newspapers have been the chief sources for his material. One interesting and valuable contribution that derives from this method is the possibility of spotting the rise of new settlements and urban developments and hence of deducing certain rises in extractive or manufacturing activity. This laborious work should be of great interest to intelligence authorities. It has, however, a number of serious disadvantages, which reduce the value of the assembled material when put in the form of a textbook. First, the presentation is encyclopedic. Second, the author has evidently taken certain passages directly from Soviet sources without questioning their application or logic. He states, for example, (pp. 69-70) that the "advantages inherent in the *kombinat* type of industrial enterprise can be resolved into the fullest and the most rational utilization of the raw material and consequent reduction of production costs . . . and also the overall acceleration of the pro-

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duction processes due to their centralized localization." Again, he writes (p. 128), "collectivization led to the destruction of the boundary field strips, which not only reduced the potential cultivated area to a considerable extent, but served also as hotbeds of weeds and pernicious insects; finally, the collectivization brought about widespread use of agricultural machinery. . . ." Either of these subjects deserves considerable questioning and amplification, and one is disappointed that the author was content to use only these patently oversimplified explanations.

Possibly the same ready acceptance of Russian sources has led to the inclusion of factual statements which do not appear to check with more reliable sources. For example, the author states (p. 96), "In the very center of the European section of the Russian SFSR lies about one-half of the world's reserves of iron ore" and (p. 72) that Russia "has 55 percent of the petroleum, 40 percent of the peat, and 35.7 percent of the hydroelectric reserves" of the world. The estimate of peat reserves is probably closest of the three but in another section (p. 37) he refers to "not quite one half the world's resource of peat" lying in the U.S.S.R. The reserve figure of 90 million tons for the Donets coal basin (p. 33) is undoubtedly a typographical error. The failure to question any of these statements is perhaps the greatest weakness of the book. One looks in vain for a rigorous analysis of the trends in farm population, of the shelterbelt scheme, of the Davidov Plan or of the locational influences in industry, though the dry bones of some of these topics are presented.

What we have in this book, in short, is a glorified gazetteer. Shabad's familiarity with Soviet place names and Russian toponomy means that much of interest is included, but the student of the Soviet Union will prefer to use the *Geography of the USSR* as a reference book, not as a text.

Dr. Mirov's book is also rather encyclopedic though he has adopted only 20 physical regions as compared to over 150 political units in Shabad's volume. A sketchy first part giving a general picture of the country and of the people is followed by chapters on each of the geographic regions, in which the topography, soils, flora and fauna are minutely described. Very little is said regarding minerals, industry or man's adaptations to the varying environments. The botanist may derive interest from such material as (p. 196) "The natural vegetation of the middle Araks region is xerophytic, represented by such plants as astrangals, camel thorn (*Alhagi pseudoalhagi*), *Athaphaxis spinosa,* and hormel peganum (*Peganum hormala*)" but the human geographer and even the physical geographer would probably prefer

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fewer minutiae and more interpretation. One or two statements of Mirov deserve note. In the opening chapter on climate (p. 38), he writes, "Permafrost is not considered a hindrance to northern agriculture," which hardly coincides with his description of permafrost in the chapter on the tundra (p. 89). One also wonders why the chapter on historical geography is concluded with the statement (p. 58), "With the conquest of Middle Asia and acquisitions in Western Europe, the country (to quote one Russian geography book) reached the limits of its possible expansion." The parenthetic comment is no help in explaining this optimistic conclusion.

WILLIAM A. HANCE

COLUMBIA UNIVERSITY

The Genesis of Russophobia in Great Britain: A Study of the Interaction of Policy and Opinion. By JOHN HOWES GLEASON. Cambridge, Harvard University Press; London, Oxford University Press, 1950.—ix, 314 pp. $5.00.

This well-executed monograph describes the growth of anti-Russian sentiment in Great Britain in the years 1815-1841, the period that Mr. Gleason considers crucial in the formation of the main stereotypes that comprised "Russophobia". The book is based on state papers in the Public Record Office as well as on newspapers, propaganda pamphlets, books of travel, and other media. It furnishes in attractive form much unfamiliar information, and its account of British opinion is both vivid and detailed.

In any study of public opinion two questions particularly attract the curiosity of the reader: how was this opinion formed? and what effect did it have on governmental policy? Mr. Gleason, after an extended narrative, concludes with an illuminating discussion of both points. British policy, he finds, was actually not so greatly affected by public opinion as might at first appear. Statesmen who formed the policy were generally in advance of the public throughout the period, and events external to England such as the changing attitude of Russia herself also played an important rôle. Yet policy, if not dictated by popular opinion, had to be on the whole consistent with it, and the growing vehemence of public sentiment may have strengthened the anti-Russian opinions of statesmen. These are modest conclusions, and Mr. Gleason cannot be accused of overstressing the importance of his subject. Perhaps he is unduly cautious, and might have claimed a greater influence for public opinion, for it seems that the curious misapprehensions and misdirections of British policy in

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the period could have occurred only in an atmosphere already surcharged with antipathy to Russia.

On the second point, the sources of public opinion, the reasons for the extraordinary virulence and intensity of Russophobia, Mr. Gleason is perceptive but in some respects unsatisfying. He disposes effectively of the easy and obvious explanations, and has good reasons to show why anti-Russian feeling cannot simply be attributed either to imperialistic and strategic rivalry or to an ideological conflict, a *guerre des idées*. The sources of Russophobia he finds rather in trade rivalries, the absence of profitable commercial intercourse, partisan domestic politics, the propaganda of a few determined individuals, and accidents of event and personality that made Russian policies appear more menacing to Britain than they actually were. All this is plausible, yet somehow not enough. The popular concept of Russia made her something like the villain of a melodrama or detective story, infinitely evil, powerful, and yet ultimately conquerable. This view was so wide of the truth as to suggest that its origins lie not in the logic of circumstances alone, where Mr. Gleason seeks them, but elsewhere, possibly in strains and anxieties that made necessary the creation of such a myth. Mr. Gleason, probably correctly, regards the measuring techniques of modern public opinion research as inapplicable to his topic; he might have found suggestive leads, however, in certain modern studies of popular phobias which lay emphasis not on counting but on content analysis. Though he is alert to the ambiguities of his subject, the scope of his analysis is somewhat limited. One finishes the book with the impression that he has not fully explored the meaning and implications of the phenomena he so admirably describes.

WILLIAM O. AYDELOTTE

STATE UNIVERSITY OF IOWA

International Non-Governmental Organizations: Their Purposes, Methods and Accomplishments. By LYMAN C. WHITE, assisted by MARIE RAGONETTI ZOCCA. New Brunswick, Rutgers University Press, 1951.—xi, 325 pp. $5.00.

This book is difficult to classify, and indeed to characterize. It is primarily a handbook of useful information on international nongovernmental organizations (INGO's, as they are consistently referred to). It goes beyond this, however, in that it contains many wise and well-reasoned judgments concerning the significance of these nongovernmental organizations to the student of international relations, and more particularly international organization.

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This is a useful book, but it is incomplete. Futhermore, it is somewhat confusing as to its purpose. One gets the impression that the author in times past, when his energies were less fully utilized by pressing day-to-day tasks, accumulated a considerable mass of material which he now finds himself unable, because of current demands upon his time, to bring up to date. Part II of the book, containing factual material on INGO's and constituting the main part of it, covers the period from the middle of the nineteenth century to the outbreak of World War II. The author's argument for not bringing the material down to date is not wholly convincing. But if we accept it as valid, there does not appear to be any good reason for adding to the story of the development of INGO's during this period a chapter dealing with their rôle in the United Nations system today. That is a subject to be treated in connection with international nongovernmental organizations of the past decade. There is enough to be said about the rôle of INGO's in the development and functioning of inter-governmental organizations and their influence on international relations in general during the pre-1939 period. In his brief comments (pp. 245-258) the author hardly does justice to this general topic.

For the purposes of his study, the author defines an international nongovernmental organization as an international organization, "not established by an agreement among governments." This definition does not, of course, exclude certain organizations like the International Association for Labor Legislation in which there was official governmental participation. These, however, the author is not so much concerned with as with the exclusively private ones. Furthermore, the author limits himself to nonprofit organizations, thus excluding international business enterprises. Some might question his inclusion of cartels in the category of nonprofit organizations.

The author is quite right in emphasizing the important rôle of nongovernmental organizations in the development of world organization. He has given us a valuable aid in understanding the rôle of such organizations in the period before 1939. It is to be hoped that he, or another inspired by his example, will be able to give us shortly a companion piece on INGO's since 1939. As Mr. White points out, since 1945 the importance of these organizations has been fully recognized, and they have been given a place in the total pattern of world organization which they never had before. We greatly need a systematic account and evaluation of this experience.

LELAND M. GOODRICH

COLUMBIA UNIVERSITY

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The Navy and the Industrial Mobilization in World War II. By ROBERT H. CONNERY. Princeton, Princeton University Press, 1951.—xi, 527 pp. $6.00.

The heart of Professor Connery's study is an account of the organization, achievements and problems of the Navy's Office of Procurement and Material in the office of Under Secretary James V. Forrestal. This is important in its own right, for the "OP&M" was the chief overseer of the Navy's hundred-billion-dollar share in industrial mobilization. It was this Office that gave the broadest attention to the expansion of industrial facilities, the devising of contracts protective of the public interest, the development of pricing methods that would both stimulate production and preclude excessive profits, the meeting of contractors' needs for working capital, the inspection and expediting of plant production, the administration of the Controlled Materials Plan, and the statistical measurement of production progress against objectives. The story of these activities is both lucid and detailed. There is probably no other readily available source that so thoroughly sets forth World War II experience with the procurement problems of industrial mobilization.

Many aspects of public administration are illumined by the volume. In view of the increasing attention being devoted to problems of departmental management, particular value rests in Connery's clear exposition of the competition for power among the Secretary of the Navy, the Chief of Naval Operations and Commander-in-Chief United States Fleet, and the strong bureaus of the Navy Department. This competition involved not only the now common problem of bureau resistance to coördination by a department head, but also the important problem of civilian control of the military. Connery perceptively notes the degree to which strengthening of overhead control was called for by the need for the Navy Department to speak with one voice to the President, the War Production Board, and the Army and Navy Munitions Board. An incidental service of the book is its clarification of the problem of adapting an old-line department to emergency functions. It is a reflection of our unpreparedness that the Navy Department was not continuously geared to the prospective needs of a national emergency period.

Connery finds the achievements of Secretary Forrestal and his associates worthy of high praise in view of the obstacles they had to overcome. But the failures are not blinked. Throughout the book are scattered indications that satisfactory organizations and procedures were developed only in 1944 and 1945, after a good deal of the shoot-

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ing was over. Connery reserves his principal indignation for the appalling deficiencies in the programming of naval production requirements. These deficiencies were attributable to naval strategists' refusal to recognize that production capabilities were so relevant to the determination of requirements that production officials should be brought into liaison relations with the requirements-determining officials; to the supply bureaus' tendency to overproduce for safety and to try to anticipate strategic requirements; and to the Navy's lack of accurate data on its inventories of naval supplies.

The work is full of lessons for future industrial mobilizations, and it throws light on many peacetime problems of public administration, government procurement, and planning. It is a significant and welcome addition to the recorded history of World War II.

JAMES W. FESLER

YALE UNIVERSITY

American Military Government in Korea. By E. GRANT MEADE. New York, King's Crown Press, Columbia University, 1951.—xii, 281 pp. $3.75.

Despite its slimness, this is a substantial book, combining broad coverage with depth and solid detail. That so much has been packed into so little space is partly a matter of economical page format, but even more of economical writing. This does not make for effortless reading—don't leave this book for those ten-minute periods before retiring or during the baby's feeding. But the curious reader who is willing to seek will find here a rich store of information, soberly and perceptively evaluated.

Dr. Meade was a United States military government officer in Korea's southeasternmost province, Cholla Nam Do—usually shortened to Chulnam—during the first year of the occupation, roughly from October 1945 to October 1946. It was the formative, or, as he puts it, the pattern-cutting, year. This short period and this one province form the real subject, the "experimental laboratory", of the study, though the author is at pains to fill in the setting: events and policy preceding occupation, Korea's history, geography, economy and politics, and the general structure of military government throughout the American zone. The result is a complicated and sometimes cumbersome exposition, for in most of the chapters the author imposes upon himself the obligation to deal with each topic and subtopic alternately in terms of the national and the provincial scene.

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But for all his care to describe the larger setting, the picture of military government on the national level seems queerly remote and shadowy, seen only through the worm's eye of the local MG officer whom higher authority seemed usually to harass rather than to help. A single fascinating episode will illustrate: A new commanding officer arrives from Seoul, in the first days of the occupation, with verbal instructions which reverse the policy just decided upon relative to Japanese officeholders. The new policy, perforce, is put into effect, but it later develops that the "instructions" had never been issued (pp. 68-69, 249). The reader is told no more.

Dr. Meade's main criticisms of military government in Korea, on the economic side, are that it opened the door to a disastrous inflation, discouraged the development of natural economic ties with Japan, and mishandled the custodianship of enemy property and the land problem. On the political side, he condemns the suppression of the leftist groups which the Americans found in power when they arrived, and the open favoring of conservative factions which enjoyed little popular support. In administration, he is impatient with the centralization which, after the first few months, made it difficult for officers at the local level to work out pragmatic solutions to local problems.

But the lasting impression left by the book is not of criticism. The richly anecdotal account of the experience in Chulnam, though spotted impartially with examples of short-sightedness and ignorance, piles up unmistakable evidence of achievement in a realm where Americans are accustomed to consider themselves naïve and inept—the governing of alien peoples in their own land. A handful of men, unaccustomed to exercise sovereign authority, and given ludicrously inadequate or misdirected training (for the author, a single lecture on Korea out of nine months of instruction), acted in provocative situations with understanding, moderation, necessary vigor and, not infrequently, wisdom.

RICHARD M. LEIGHTON

WASHINGTON, D. C.

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BOOK NOTES

Craving for publicity is not a characteristic of the Politburo. Mr. Nathan Leites does not claim to be taken into the confidence of that sinister institution, and his little book, *The Operational Code of the Politburo* (New York, Toronto, London, McGraw-Hill Book Company, Inc., 1951; xv, 100 pp. $3.00), contains no sensational revelations but is a scholarly and sober digest of the writings of Lenin and Stalin which, in the author's opinion, determine the course of the Soviets' chief policy-making body. The writings of the two Bolshevik leaders are voluminous, verbose, indigestible and, except to a few initiated, almost insufferably tedious. Mr. Leites has tackled a formidable task with praiseworthy courage; it is a matter of regret that the results hardly justify the vast amount of labor involved. The object of the study is narrowly circumscribed. " The intention is not to discuss the major theories of Leninism-Stalinism," Mr. Leites writes in his introduction, " but to discover the rules which the Bolsheviks believe to be necessary for effective political conduct." And he adds that " this book deals mainly with the relations between the Party and the outside world rather than with the Party's internal relations." But is it really possible to make intelligible Soviet foreign relations—or the conduct of the Politburo—without reference to the basic concepts of Marxism-Leninism-Stalinism? The author's reluctance to deal with " major theories " probably explains the omission of any reference in his pages to Stalin's two doctrines—" socialism in one country " (1924) and survival, contrary to Lenin's prognosis, of the state under socialism (1939)—which linked Soviet security and the advancement toward the ultimate goal of a stateless communist commonwealth to the survival or disappearance of capitalist environment. These doctrines would seem to be entitled to a prominent place in the " operational code " of the Politburo. Factual information that can be included between the covers of a short volume is, of necessity, limited and the selection of pertinent material a matter of personal judgment. Yet one would have expected Mr. Leites to find room in his " operational code " for Lenin's views on a proposal made by P. Akselrod concerning the support of, or alliance with, the bourgeoisie. " In my opinion," wrote Lenin, " to make use of (*utilizirovat*) is a much more accurate and appropriate term than support or alliance. The latter suggests an equality status for these allies, whereas they should be lined up in the rear "

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(letter to A. N. Potresov, January 26, 1896). This would seem to be the principle applied to the Western Powers by the Politburo since about 1943.—MICHAEL T. FLORINSKY, Columbia University.

Intellectual Capitalism: A study of changing ownership and control in modern industrial society (New York, Montreal, London, World University Press, 1950; xviii, 140 pp. $3.00), by Johannes Alasco, deals with the shifting balance of control in the industrial system, a subject that has always intrigued social scientists. Two other similar attempts should be mentioned: Thorstein Veblen's *Engineers and the Price System*, and James Burnham's *The Managerial Revolution*. The author fails, so this reviewer feels, to clarify the essential difference between his theory of control in the industrial economy and those of Veblen and Burnham. He regards capital as consisting of two kinds of assets: tangible assets, such as plant, equipment and inventory, and immaterial assets, such as patents, commercial patronage, technical experience, and so on. The latter are viewed as somehow uniquely essential to the capacity of an enterprise to make profits. The author argues that the appearance of immaterial assets constitutes in some way a transformation of capital, presumably meaning that these immaterial things are more important now than formerly. In his view the controlling element in capitalism has become immaterial capital, what he calls " intellectual capital ". Thus we have the rise of intellectual capitalism, and the potentiality of control vested in those who are, by virtue of their intellectual position, capable of exercising control over intellectual capital. In this theory, the executive will claim ownership of a part of income, under the socialist system which the author foresees, due to his control of intellectual capital and his tenure in a position tantamount to ownership. It is difficult for this reviewer to see how an up-to-date version of *Engineers in the Price System* could fail to encompass all of the necessary ingredients of this theory and impossible, therefore, for him to identify the unique contribution of the volume.—R. J. SAULNIER, Barnard College.

The Nature and Tax Treatment of Capital Gains and Losses, by Lawrence H. Seltzer, with the assistance of Selma F. Goldsmith and M. Slade Kendrick (New York, National Bureau of Economic Research, 1951; xxii, 554 pp. $7.50), represents a comprehensive and thorough survey of a subject which has given no end of trouble to legislators and so-called tax economists. Of the book's 554 pages, 316 are devoted to historical and analytical discussion of the subject, and the balance to appendices which present basic data and statistical methods

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used in connection with the processing of these data. Briefly, the work reviews the various concepts of capital gains and losses formulated by students of the subject (chapter 3), outlines the history of capital-gains taxation in the United States and in foreign countries (chapters 1, 2 and 10), and evaluates net capital gains as a tax base from the point of view of the administrator, the student interested in the optimum allocation of resources, and the moralist interested in equity (chapters 4 and 6). In addition, the book devotes considerable space to discussion of the use of capital gains as a means of income tax avoidance (chapter 9), and outlines alternative proposals for the tax treatment of capital gains and losses (chapter 11). Of particular interest is chapter 5, which presents a statistical treatment of capital gains and losses as well as their distribution for the period from 1917 to 1946. Chapter 5, taken in conjunction with the appropriate appendices on source materials and statistical methods, is invaluable to anyone interested in the facts rather than the policy of capital-gains taxation. Generally speaking, Professor Seltzer's treatment of capital gains is thorough—so thorough, in fact, that it detracts from the readability of the text, as for instance when he observes: "Each change in current or prospective earnings tends to produce a multiplied change in the asset's market value, the multiplier being the rate at which investors are capitalizing its earning power. A rise of $1 in the annual earnings of a stock normally selling at 10 times earnings will tend to cause its price to rise $10, for example." This appears on page 57. In addition, Professor Seltzer's apparent reluctance to generalize when generalizations seem to be urgently called for imposes an unnecessary burden upon the reader. For example, on page 93, under the heading "How real are capital gains and losses due to changes in interest rates?" the author observes: "Changes in the rates of interest prevailing in the investment markets may produce capital gains and losses for investors without altering the interest and dividend payments they receive from their investments." The phenomenon which Professor Seltzer discusses is not localized in the sense that it is confined to but interest or dividend payments, but occurs whenever the relative position of the net yield of assets changes.—PAUL H. WUELLER, Harrisburg, Pa.

The literature in English on French political institutions is as notable for its paucity as for its excellence. Of the French Parliament we have had no study exceeding the narrow limits of textbook discussion —save R. K. Gooch's monograph on the committee system. British and American students are therefore indebted to D. W. S. Lidderdale for stepping into the breach with his scholarly volume *The Parliament*

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of France (London, The Hansard Society, 1951; xix, 296 pp. 18*s.* net). This is a concentrated account of the organization and procedure of the Chambers of the Fourth Republic. Its contrast to Eugène Pierre's classic *Traité de droit politique, electoral et parlementaire,* the French "Erskine May", parallels the comparison between Lord Campion's *Introduction to the Procedure of the House of Commons* and May's monumental *Parliamentary Practice.* Following a brief history of French representative assemblies, successive chapters describe the constitutional position of Parliament; the development of procedure; the conditions of membership in the National Assembly; the organization of that Chamber; its rules of debate; its committee system; and its procedure in legislation, finance, and control over the Ministry. A final chapter deals with France's new secondary Chamber, the Council of the Republic. The work is a feat of factual exposition; a wealth of technical data, the fruits of painstaking research and careful condensation, is presented in well-organized form. For reference purposes especially it is invaluable, and a glossary of French parliamentary terms adds to its attractiveness for prospective visitors to the *Palais Bourbon.* A number of suggestive comparisons with the House of Commons impress upon the reader how vividly particulars of parliamentary organization and procedure reflect the fundamentals of a constitutional order. Such aspects of French parliamentarism as the power of the permanent committees, the formidable interpellation procedure, the relative weakness of the Assembly's President, are but manifestations of a multi-party system entailing parliamentary supremacy over the executive and of the French parliamentarian's congenital distrust of executive power and personal authority. Mr. Lidderdale clearly did not intend to match W. I. Jennings' *Parliament* in presenting legislative structure and procedure within a framework of broad political analysis. Comments are thus lacking on the ideology of French parliamentarism, its social underpinnings, "deputantism" as a revealing facet of French political psychology, and so on. The author permits himself very few historical generalizations and political judgments. Some of them invite dissent. It is surprising to read, for instance, that Louis Napoléon (whose landslide of December 10, 1848 was in large part the expression of working-class dismay at the socialist débâcle and revenge for Cavaignac's June massacres) secured his election by "playing on the widespread fear of the growing [*sic*] socialist movement" (p. 21). And to argue that parliamentary government might have continued to develop under the Constitution of November 1848, "had not that document also made is possible for the President to exercise a preponderant influence" (p. 33), savors of the "consti-

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tutional scholasticism" that attributes, for example, the demise of the Weimar Constitution to P.R. or to the defective formulation of its Article 48.—FREDERIC S. BURIN, Columbia University.

Britain Today: A Review of Current Political and Social Trends (Cambridge, Harvard University Press, 1951; 248 pp. $3.00) by C. F. O. Clarke, a volume comprising the Lowell Lectures for 1950, is a capable survey of the background to the present state of affairs, both political and social, in Great Britain. Written more from the viewpoint of a perspicacious journalist (Mr. Clarke was a Reuters correspondent for many years) than from that of an academic specialist, there is a marked tendency toward the elementary, especially in the two chapters concerning the machinery of government and the evolution of the major political parties. Many pages are spent in developing the thesis that Great Britain is as fully entitled to the designation of democracy as is the United States, a proposition which has not been denied seriously for some decades. On the other hand the chapter, "The Printed and the Spoken Word", is a brief but excellent review of both the British Broadcasting Corporation and England's press. The defense of the monopoly position of the BBC is lucid and eminently sensible, not only taking into account the attempts by the corporation to respond to the populace while at the same time endeavoring to elevate its aesthetic level but also giving due weight to the obvious disadvantages of placing such an important element of modern democratic society in a protected noncompetitive situation. The normal British outlook on the BBC is epitomized (p. 181) most concisely: "Our broadcasting has grown into a trim public garden. We are used to it, and would certainly think twice before cutting it up. . . ." Mr. Clarke's answer to his own question (p. 173) concerning radio broadcasting—"Has it resisted the temptations of monopoly?"—is clearly in the affirmative but he has some lingering doubts as to the ability of the British press as a whole to resist "the temptations of private enterprise". Whereas his admiration for *The Times* and the *Manchester Guardian* (described collectively as the "quality press") is profound, the *Daily Mail*, the *Daily Mirror*, and the *Daily Express* are characterized quite disdainfully as "popular newspapers". Lord Beaverbrook of the *Daily Express*, depicted variously as a "circus-owner", as being "quaintly despotic", and as possessing "impish irresponsibility", is singled out for an especially harsh, and possibly unkind, series of criticisms. The isolation of the "intermediate reader", hovering between the staidness of *The Times* and the distortions of the popular press, is

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lamented. The author's contention is that the BBC has fulfilled its responsibilities better than the press of Great Britain has met democracy's demands on it. The concluding chapters present Britain's foreign policy as being based on the not uncommon foundation of "immediate needs". Mr. Clarke seems to place, albeit unintentionally, criteria of morality completely outside the sphere of the determination of British external policy. His approach to the problem of European federation, however, takes into account those ramifications of economics, Commonwealth, and Empire which are peculiar to Great Britain. His observation (p. 234) that England belongs "to Europe, but not to the Continent", is perhaps the best way of explaining to an American audience the apparent reluctance of the English to join arms, legs and heads with other European democracies. The difficulties of transposing a series of lectures into book form notwithstanding, Mr. Clarke has succeeded in presenting certain of the aspects of the evolution of British democracy in an understandable and highly readable fashion.—WILLIAM L. ROFES, Brooklyn College.

In 1934 Japan was consolidating her new gains in Manuchuria and North China. Flushed and arrogant with victory she prepared to throw down the gauntlet to the Western nations. Here in *Foreign Relations of the United States: Diplomatic Papers, 1934,* Volume III: *The Far East* (Washington, U. S. Government Printing Office, 1950; lxxxvi, 868 pp. $3.25) is a portion of the record of America's response to that challenge. On the whole, these documents are a tribute to the vigor and consistency of the State Department's assertion of policy vis-à-vis Japan. They show off, especially, Secretary Cordell Hull's determined devotion to the Open Door principle and Ambassador Joseph C. Grew's steady stream of perceptive analyses of Japanese actions. The most sensational event of the year was the bold announcement in April by Eiji Amau, a Foreign Office spokesman, of a Japanese "Monroe Doctrine" for Asia. Stanley K. Hornbeck, our chief of the Division of Far Eastern Affairs, labeled it a disclosure of policy rather than a declaration of policy, and, despite Foreign Minister Hirota's ambiguous disclaimers, Grew, too, saw it for what it was: "Japan has revealed herself as firmly opposed—say what she may—to the objects and purposes of the Nine Power Treaty and the efforts of the League of Nations to extend international (and Occidental) assistance to China" (p. 183). The substance, printed here, of two confidential conversations held in May between Hull and Ambassador Saito spotlights the gulf that separated their respective nations. Saito pro-

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posed a joint Japan-United States declaration to seek mutual promotion of trade, to foreswear aggression against each other's territorial possessions, and to recognize " that the United States in the eastern Pacific regions and Japan in the western Pacific regions are principal stabilizing factors and both governments will exercise their best and constant efforts . . . to establish a reign of law and order " in their adjacent geographical areas. Hull's quick rejection of this blunt proposal, on the high ground of the need for every country to maintain amicable relations with all countries and the consequent impossibility of bilateral arrangements, was strengthened, also, by a pointed reference to Japan's " reputation for truculence and trouble making " (pp. 653–59). Assuredly, many of the documents validate this extreme characterization of Nipponese behavior; for example, those that deal with the narcotics traffic in China, the creation of oil monopolies in Japan and Manchuria, and the violation of mining rights in Korea. There are, of course, other papers in this collection less belligerent in tone that bear on a host of subjects of interest to the specialist, such as the effect of the United States silver-purchasing program on China's economy, and problems of pilotage at Shanghai. In passing, it may be urged that it is high time the new volumes in this old and honored series were more completely indexed so as to include all proper names. Mention in these pages of Mamoru Shigemitsu and Saburo Kurusu and Wang Ching Wei —to name only a few among many—should not be lost to the student who looks for the pattern of pre-Pearl Harbor aggression in the Orient. —HENRY F. GRAFF, Columbia University.

Anyone attempting to define clearly Pandit Nehru's present foreign policy of " dynamic neutrality " is deserving of commendation, and Mr. Shantilal Kothari has made a brave pioneering effort in this direction, in *India's Emerging Foreign Policies* (Bombay, Vora & Co., Publishers Ltd., 1951; vii, 219 pp. $2.00; 12s.). However, his attempted parallel between the policies of Nehru and Washington is somewhat strained because he does not sufficiently consider changed world conditions. " Neutrality and peace for a country like India ", he declares, " are unfortunately neither happy nor wise and uncontradictory terms." He believes that India must take a positive stand in favor of peace, assume a strong anti-imperial and anti-colonial attitude, advocate racial equality for Indians abroad, support the United Nations and avoid isolationism. In order that India's voice may carry greater weight, he proposes a regional Eastern or Asian Federation under Indian leadership. This would include Burma, Indonesia, " Siam ", Ceylon, Afghanistan and

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Pakistan, as well as Iran and Iraq, with " Arabia ", Egypt and Australia linked together " on the lines of the Inter-American system " (p. 65). No explanation is advanced for the inclusion of Australia in this Federation. None is offered for the exclusion of Japan and China except the intimation that they are presently greatly influenced by the United States and the U.S.S.R., respectively. In somewhat obscure and cumbersome language, typical of his style as a whole, the author says: " Asia's determination to fight for the freedom of her peoples can be harmonized for good ends only by forming a loose Eastern Federation in which the co-operative co-ordination of the industrialized countries will be a successful prelude to the long-run strengthening of the peace maintenance and defensive capacities of the entire area " (p. 52). While indicating India's fear of communism, the author notes that it has served the masses " by making them conscious of their exploitation and their strength to defy and end it." He thinks that it is not in India's interest to join Soviet Russia for the purposes of defense but believes that India cannot be protected by the non-violent methods of Gandhi and that in time of crisis it would be wiser to side with the Western democracies since India is too weak to stand alone. Yet European diplomacy under United States leadership is charged with trying to prevent India from becoming a strong nation and to bring about an unjust peace in Asia (p. 177); and Great Britain, not without some justification, is blamed in part for the partition of India. India's remaining a reluctant partner within the British Commonwealth of Nations is opposed, largely because many of the latter's policies are thought to be hostile to those of India, and her early withdrawal is prophesied. Whatever the merit of this small volume, it is considerably lessened by innumerable typographical errors such as the one, noted in the Errata, in the quotation from Nehru to the effect that " It is hard to be natural [neutral] in these days."—ALBERT E. KANE, Washington, D. C.

One of the most eventful periods in inter-American relations is covered by the Department of State's documentary record: *The American Republics, 1933* and *1934*, Vols. IV of *Foreign Relations of the United States: Diplomatic Papers, 1933* and *1934* (Washington, U. S. Government Printing Office, 1950 and 1951; lxxxiv, 812 pp., $3.00, and lxvi, 640 pp., $2.75). Although they contain almost no material on the Cuban turbulence of the time, these pages present diplomatic correspondence regarding the Leticia dispute (Colombia-Peru) and the Chaco dispute (Bolivia-Paraguay), each a League of Nations *cause*

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célèbre; the Central American Conference of 1934 which buried the awkward Tobar Doctrine (1907) and subsequent Wilsonian policy of nonrecognition; Argentina's factitious Anti-War Treaty, which evinced blustering pretensions to Latin American leadership of pre-Perón vintage; implementation of reciprocal trade agreements; and a variety of American-Brazilian and American-Argentine economic matters. The most important items, however, pertain to the Montevideo Conference of American States (December 1933): dispatches relating to preliminaries and proceedings; Instructions to Delegates from Secretary Hull, who headed our delegation; and the four conventions signed by the United States. In his March inaugural of that year Roosevelt had imprecisely dedicated the nation to "the policy of the good neighbor." During ensuing months the government had, by closer definition and specific acts, given that policy its Pan-American perspective. Montevideo would reveal whether reliance upon *force majeure,* still somewhat evident at the Havana Conference of 1928, had been effectively abandoned. These documents testify that it was not any largesse or dramatic policy reversal on Big Brother's part which made the 1933 Conference a turning point. Suspicion greeted the telegram bearing Roosevelt's impulsive offer of a $5,000,000 chain of radio stations, beacons and airfields to make night flying possible along coastal South America. "One reaction", Hull reported, "is that of inquiring at once what the United States is after now." Nor was the United States yet ready to scrap or alter the Monroe Doctrine. In a pre-Conference memorandum of October, Mexican Foreign Minister Puig had urged that the Doctrine be made multilateral. But Hull impressed upon his delegates that it was, as it stood, an unselfish instrument for "common prosperity" and that no arrangement should be countenanced "which could possibly be interpreted as curtailing in any way the application by the United States of the Monroe Doctrine." The United States did offer certain tangible proof of its intentions, notably by signing (albeit with a vague reservation) the "Convention on Rights and Duties of States", which provided automatic recognition for a state once "the simple fact of its existence" was determined. But these volumes' most convincing reflection of the new attitude is in behind-the-scenes glimpses of Hull's self-effacing but shrewd willingness to let Argentina's pretentious Foreign Minister, Saavedra Lamas, take the stage, his insistence that the sister nations initiate proposals, and his dedication—officially and in informal personal contacts—to the larger spirit of "neighborliness".—RICHARD M. MORSE, Columbia University.

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" This is a book of propaganda ", writes Dagobert D. Runes of *The Hebrew Impact on Western Civilization* (New York, Philosophical Library, 1951; xiv, 922 pp. $10.00), which he edited. If so, it is inferior propaganda, hardly calculated to disabuse the anti-Jew of his prejudice, enlighten the philo-Jew or bolster the pride of the Jew himself. The editor appears to have aimed at cataloguing Jewish contributions over the past two millennia—more particularly the past two centuries—to various aspects of Western civilization. The " factual " testimony thus amassed, the editor believed, would demonstrate that the debt of the West to the Jews is " gigantic ". The volume, comprising a dozen and a half essays by nearly as many authors, was poorly conceived and even more poorly executed and merits little but negative criticism. The end product bears no evidence of integration, for the only connective tissue between the several chapters is the fact that they deal with Jews and their works. But the concept " Jew " is used loosely by most of the authors to embrace many who never acknowledged their Jewish origins—if indeed these could ever be established—and others who, while of Jewish descent, either were no longer Jews or ceased to regard themselves as Jews. None of the essays is outstanding or original. Only a few—such as " Hebraic Foundations of American Democracy " by Abraham I. Katsh and " Jewish Social Service and Its Impact upon Western Civilization " by Maurice J. Karpf—may be classified as competent. But most of the chapters display slipshod scholarship and pedestrian treatment, consisting of little more than an enumeration of names and titles. The Jewish impact on Western civilization—and here again the editor and most of his collaborators attempt no definition—is, whatever its meaning, surely not synonymous with the contributions of individual Jews to the arts, sciences and professions. The reader is thus left with the question as to what usefulness a book of this nature can possibly serve.—J. C. HUREWITZ, Columbia University.

An interesting contribution to the methodological literature on public opinion polling is the recent book by Stanley L. Payne, *The Art of Asking Questions* (Princeton, Princeton University Press, 1951; xiv, 249 pp. $3.75). As Mr. Payne rightly points out in his introduction, this is the first full-length volume to be written on the problems attending the design of questions in public opinion polls and other forms of research involving the use of questionnaires. Experience has taught the opinion poller not to be casual about wording the questions he asks of his respondents. A misused word, an ignored alternative, or an un-

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foreseen connotation can and often does introduce an error or bias into the distribution of answers; sometimes seriously misrepresenting the results. In one of his examples (p. 10), Mr. Payne points out that merely substituting the word *could* for *might* in a question produced a difference in response of 14 per cent. The problem which the book considers, therefore, is a significant one for opinion pollers and others who make use of data obtained from questionnaires in their research. Mr. Payne's thesis is that question wording is an art rather than a science. His book, therefore, is not for the most part experimentally based but rather it reports on the kinds of cues and guideposts to the art of asking questions which he has developed out of his own experience as a practicing research technician. It is questionable whether or not Mr. Payne's thesis is an acceptable one. While not fully perfected, considerable progress has been made in developing procedures for objectively testing the validity and reliability of answers to questions. However, because of the cost involved in their use, they are seldom applied; the researcher relying on his intuitive judgment as a substitute. Pending the achievement of a science of question wording, Mr. Payne's book serves a useful interim function. Beginning with a justification of the significance of the problem, it considers in detail the relative merits and demerits of various question forms, the need for taking into account the attributes of respondents in framing questions, and the kinds of semantic difficulties which the research practitioner is likely to encounter. The neophyte in research procedure can certainly learn from a careful reading of this book. For the experienced research technician, it has less relevance though it might serve as a reminder of some of the pitfalls in question wording perhaps forgotten. The book is not likely to find a broad audience but those concerned with the limited problems it considers are likely to find it a useful addition to their libraries.—Charles Y. Glock, Bureau of Applied Social Research, Columbia University.

Under the editorial supervision of Hadley Cantril, Mildred Strunk has prepared in *Public Opinion, 1935-1946* (Princeton, Princeton University Press, 1951; lix, 1191 pp. $25.00) an imposing compilation of the results of public opinion polls conducted by 23 research organizations in 16 countries over the period from 1935 to 1946. Though limited with few exceptions to results based on national cross-sectional polls, the volume is extremely comprehensive and omits few of the questions asked on national polls by the participating organizations. The topics covered range from the significant questions of public policy of the period to questions on eating habits and reading of comic

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strips. The material is organized around the primary topic covered by each question and is sufficiently cross-indexed to make for relatively easy reference. Particularly interesting for the insight they provide on the nature of opinion change are the distributions of answers to questions asked in an equivalent way at several points of time. Public attitudes toward the late President Roosevelt, for example, are reported on at several significant periods of his administration. Somewhat disappointing is the absence on many important questions of breakdowns of the answers by relevant social characteristics. Too, it seems unfortunate that the polling organizations in various countries did not more frequently coöperate in asking the same questions of their samples; particularly on international issues. The political scientist who hopes to add to his understanding of the political process through an examination of this volume is likely to be only partially satisfied. While he can discover from the data presented how many and to some extent what kinds of people hold a stated opinion on a given issue, there is no way for him to know either the degree of intensity with which such an opinion is held or, more importantly, the degree to which it represents informed opinion. Yet, such data are almost essential if the influence of public opinion on political decision is to be evaluated. This criticism is, of course, directed at the public opinion polling organizations rather than the compilers of this volume who are merely reporting what data are available to them. It is to be hoped, therefore, that before the subsequent volume which is now planned appears some further attention will have been given by the polling organizations to these problems. Despite its limitations, however, the present volume serves a number of positive functions. It is a valuable reference for those in need of data which will provide a measure of public attitudes on the major (and the minor) issues of this important period. Too, it provides a point of departure for further study of the character of public opinion and its impact on political, economic and social life. Finally, it adds considerably to the historian's fund of available data in an area which heretofore he has not been able to cover adequately.—CHARLES Y. GLOCK, Bureau of Applied Social Research, Columbia University.

As the personal Secretary of President Wilson, Joe Tumulty bore somewhat the same relation to the great and the near-great that John M. Blum's study of *Joe Tumulty and the Wilson Era* (Boston, Houghton Mifflin Company, 1951; xiii, 337 pp. $4.00) bears to the germinal studies of the period with which it deals. It is modest in intent and achievement, but within its limited compass performs a highly useful

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service. The main strength of the book derives from the author's constant awareness of two objectives: to analyze Tumulty's particular contribution to the shaping of important historical events, and to show how one man's career can illustrate the continuing mechanisms of American politics. As a study of the Wilsonian period, Mr. Blum treads for the most part over ground familiar to students of historians like Arthur Link, Ray Stannard Baker, and Thomas A. Bailey, and of memoir-writers like Democratic Chairman William F. McCombs, Secretary of State Lansing, Mrs. Edith Wilson, and Tumulty himself. It is when the second of the author's purposes blends with the first, when he describes the need of a reform administration to reconcile itself to party machinery and party purposes, that the book becomes most meaningful. At the heart of Mr. Blum's analysis of Tumulty is the occasional conflict, and more frequent accommodation, between loyalty to the Democratic party and belief in Wilson's progressive ideals. Wilson faced the same dilemma but was able to ignore it occasionally, in part because he was aided by men like Tumulty whose hopes for better government were joined to a hard-headed realization of what was required to get men in office and keep them there. Tumulty brought to his White House post not only a zeal for public service, but a little "Black Book" (p. 73) in which he recorded campaign contributions and the patronage allotments by which they were repaid. In telling how Tumulty helped to rally northern liberals, southern conservatives, and machines like Tammany Hall behind the Wilson program, Mr. Blum has explained much about the coalition nature of American political parties, so effective and resilient yet so mysterious to the outside world and even to many American citizens. To keep a team which included William Jennings Bryan and Jersey City's Frank Hague working in tandem required more than the lofty phrases of "The New Freedom". In time Wilson came to appreciate what Tumulty had known all his political life, that party regularity can produce helpful support as well as annoying office-seekers. Finally, the author has shown how the absence of rigid programs made it possible for both major parties to avoid obsolescence and to respond to changing needs in local and national government. Mr. Blum's book brings the Wilson era down to political realities and explains those realities with patience and insight.—DONALD H. SHEEHAN, Columbia University.

The first of a series of "Rare Masterpieces of Philosophy and Science" to be reprinted by Yale University Press is John Taylor's *An Inquiry into the Principles and Policy of the Government of the*

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United States (New Haven, Yale University Press, 1950; 562 pp. $7.50). The *Inquiry* was originally published in 1814, and was devoted in great part to a refutation of John Adams' *Defense of the Constitutions of Government of the United States,* which had appeared twenty-seven years previously. Taylor himself conceded, in his preface, that publication delays made his long-accumulated thoughts seem "almost letters from the dead." While the *Inquiry* is unduly long, disorganized, and badly written, it is an important theoretical statement of the extreme agrarian position. Taylor makes clear, in the first chapter, his disagreement with John Adams, who proclaimed against the evil of a hereditary aristocracy, but overlooked "the danger from the aristocracy of paper and patronage." It was precisely such an aristocracy, he asserted, that Alexander Hamilton was mobilizing through the issuance of public paper and bank stock, and the imposition of a protective tariff. The capitalist ideology of "public faith, national integrity, and sacred credit" was designed to exploit and enslave the masses (by which he meant the masses of agrarians). What could be done? First, he reminded Americans of the lessons of the French Revolution; a point may be reached when the property of special privilege must be confiscated without compensation. But perhaps the safest defense against legislative acts tending to strengthen the aristocracy of paper "consists of the mutual right of the general and state governments to examine and controvert before the publick each others' proceedings" (p. 556). Professor Roy Franklin Nichols achieves, in his able introduction, a balanced verdict on the value of Colonel Taylor's work. Although Hamilton's fiscal policies were necessary in order to establish industry on a sound basis, he points out that the resulting alliance between government and business interests had many evil consequences; John Taylor, he contends, may be considered the first of the Muckrakers. To carry the thought further, it may be suggested that Taylor's work served a useful purpose but, because of changing circumstances, fell justly into oblivion. He cried out for confiscation of capitalist wealth in order to save the farmers, but made no mention of the new class of workers. He skillfully defended the interests of the agrarian aristocrats, but his position became increasingly irrelevant as Americans tried to reconcile democracy with an industrial society. Yet the success of capitalism in America was due not only to the capitalists, but to the many John Taylors who were alive to the defects of speculative capitalism, and who sought to subdue the energy of profit-making to the interests of the community.—BERNARD E. BROWN, College of the City of New York.

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ROSWELL CHENEY MCCREA

The editors of this QUARTERLY record with sorrow the death of their colleague, Roswell Cheney McCrea, on July 2, 1951, in his 75th year.

As a graduate student, in the early days of our Faculty of Political Science, the youthful McCrea received instruction from the founding fathers, including Burgess, J. B. Clark and Seligman. After a teaching career which included service at Trinity and Bowdoin, he became in 1911 Professor of Economics at the University of Pennsylvania and one year later, at the age of 35, became Dean of the Wharton School of Finance and Commerce. He was called to Columbia as Professor of Economics in 1916, was designated Hepburn Professor of Economics in 1922 and, after having been appointed Executive Officer of the Department of Economics in 1931, was made Dean of the Columbia School of Business in 1932. He was active in the affairs of the Academy of Political Science—as a member of the Board of Editors of the POLITICAL SCIENCE QUARTERLY from 1921, as a Trustee of the Academy from 1930 and as its Vice-President from 1931. He retired in 1942.

During both world wars McCrea was called upon to serve the government, first in 1918 as Civilian Commissioner on Conscientious Objectors, and again in 1942, after his retirement, as Price Administrator for the State of Vermont. For more than twenty years, he also assisted the Chamber of Commerce of the State of New York in the development and implementation of its educational plans.

His publications included a monograph on *The Humane Movement* (1910) and a notable series of articles dealing with taxation, economic theory and business education. He also collaborated with colleagues on a volume dealing with *Major Economic Factors in Metropolitan Growth and Arrangement* (1927), and a volume, scheduled for early publication, on the history of the Columbia School of Business.

A bare inventory of positions and publications sometimes yields a strangely distorted picture of the career of a scholar. This is particularly true of Roswell McCrea. In his case such an inventory can do no more than speak " very slenderly ", in Pepys's phrase, of the value and importance of his contribution. The skill with which he played his rôle at Columbia during the twenty-five years he served the University is perhaps fully appreciated only by the older of his colleagues who are acquainted with the delicate and complicated character of that rôle.

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It will be recalled that, in 1916, Columbia was launching, amid misgivings and forebodings, its new School of Business. A few years of experimentation with extension classes had revealed the demand for such a school; but the University Trustees were apprehensive regarding the financing, the Columbia College authorities were apprehensive regarding standards and curriculum, and the members of the Department of Economics were apprehensive regarding possible distortion and friction in development of instruction in their area. The Trustees were reassured by placing the Director of Extension Teaching at the head of the new School of Business. However, this action, useful as it was in relieving the anxieties on the financial side, made imperative the selection of an economist as educational leader, one who would bring to the tasks of selecting a staff and of formulating and administering the policies of the new school the necessary economic knowledge and background, and who could withal operate successfully from a subordinate position, without the degree of authority and power usually considered appropriate to the task assigned. Suffice it to say that McCrea's tact proved to be sufficient to the demands placed upon it, that his judgment in the selection of men proved on the whole to be justified in the event, and that the soundness of his values and objectives and the smooth skill of his operations quieted the apprehensions of his potential critics. After fifteen years, when he was formally inducted as Dean of the School of Business, the members of the Department of Economics insisted upon his appointment as their own chairman, a notable and obviously sincere tribute.

It is upon his record as an administrator that McCrea's reputation in large measure must rest. To its establishment were sacrificed prospects for a brilliant career as a writer and teacher in the field of economic theory. The choice in favor of educational administration, McCrea himself insisted, was dictated by circumstances largely beyond his control, and was the occasion for regret to him as well as to those close friends who had opportunity to assay the quality of his mind.

In the academic world, administrative skill is frequently inadequately appreciated even by its direct beneficiaries, and reputation as an administrator is a highly perishable commodity. However, this scholar's service to Columbia was so great that the University will forever bear the impress of Roswell McCrea, and his grateful colleagues will cherish his memory as long as they shall live.

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JOSEPH PERKINS CHAMBERLAIN

The editors of the POLITICAL SCIENCE QUARTERLY report with deep regret the death of one of their beloved associates, Joseph P. Chamberlain, on May 21, 1951, at his home in Sutton Place, New York City. For twenty-eight years he had been active in the Academy of Political Science and a member of the editorial board. In tribute to his memory the QUARTERLY presents the eulogy delivered at a memorial service in St. Paul's Chapel, Columbia University, on October 25, 1951.

* * * * * * *

Joseph Perkins Chamberlain belonged to that company of men and women who by thought and deed have made Columbia great. His death on May 21, 1951 came at a time when the University sorely needed his fine mind and his courageous spirit. He was a noble exemplar of Whitman's phrase, often on his own lips, "And nothing endures but personal qualities." He was in love with life and work; and his whole life was lovely.

A native of Cleveland, Ohio, he spent his youth in California, attended the University of California and Harvard, receiving his bachelor of laws degree from Hastings College of Law in San Francisco. After studying in Paris, Leipzig and Berlin, he practiced law in San Francisco and lectured on jurisprudence at the University of California. In 1913 he became a member of the New York bar, and three years later he made possible in the Columbia School of Law the first professorship of legislation in this country.

From 1923 to his retirement a year ago he was our colleague in the Faculty of Political Science and from 1927 to 1950 in the Faculty of Law. His teaching and writing won him well-deserved recognition as an expert on legislation, international organization and international law. Oxford University invited him to its George Eastman Professorship in 1939-1940; and from Oxford, California, Western Reserve and Columbia he received honorary degrees.

But Professor Chamberlain's most noted work, and certainly it will be his most enduring, was in the movement to improve American

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statute law. This he regarded as a necessary complement to the development of the common law. The medium for his efforts was the Legislative Drafting Research Fund, which he established at Columbia in 1911 and of which he was the active director after 1918. That Fund has had a large influence on the program of instruction in the School of Law, with emphasis on both the drafting and the interpretation of statutes. Operating as a laboratory and training base in matters of legislation and constitutional law, the Fund has rendered a many-sided service to governmental agencies and to private organizations. From it came the inspiration for the establishment by Congress of the offices of Legislative Counsel of the Senate and Legislative Counsel of the House of Representatives, offices filled in recent years by men trained at Columbia by Professor Chamberlain and his associates.

His own services were constantly in demand and he never turned his back, when his help seemed to be needed. As chairman of a special committee appointed by the Congress (1925), he examined a proposed codification of the statute laws of the United States. He was a special assistant to the Attorney General of Alabama (1937) in the litigation over the validity of unemployment compensation under the Social Security Act. Twice he received the Mayor's Citation for Distinguished and Exceptional Public Service—as counsel to the New York City Charter Revision Commission, 1935-36, and for his work on the Committee to Study Labor Relations in the City's Transit System, in 1943.

Whatever stirred his own interest became a challenge to him as teacher; and his greatest memorial stands in the intelligent work of the students he inspired. Scores of them learned about international organization—its difficulties and its possibilities—from him. After Briand's proposal (April 1927) that the United States and France renounce war as an instrument of national policy, he joined James T. Shotwell in preparing a draft treaty, which helped to transform the original proposal into the Kellogg Pact.

Professor Chamberlain's heart was touched by the plight of Europe's displaced persons. In 1933 he accepted membership on the High Commission for Refugees coming from Germany, and a decade later he became chairman of the American Council of Voluntary Agencies for Foreign Service. There is no exaggeration in the statement of one of his close friends that "some 300,000 homeless displaced persons have now emigrated to the United States and are living here, to a great extent the result of Dr. Chamberlain's brilliant faculties and remarkable

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capacity for finding a proper middle course." There was a spiritual quality about his humanitarian efforts that shone through his personality. In his case the adjective " radiant " was justifiable.

Probably no honor pleased Joseph Chamberlain more than the Annual Tolerance Award of the Pi Lambda Phi Fraternity in 1938; for in his mind there was ever the divine injunction: " Come, let us reason together." His response to the award reveals the wide range of his understanding and the firmness of his faith in his fellow men. But his broad tolerance did not prevent him from separating the just from the unjust, or from giving his personal devotion to the cause that he felt was right.

This is the precious inheritance which his students, his colleagues and his intimate friends will deeply cherish. It is difficult to realize that we have lost his gracious hospitality and his cheerful presence.

The University family at Columbia reverently places the name of Joseph P. Chamberlain on the lengthening roster of those who have joined the fellowship eternal. Our sorrow is overcome only by our pride that for a period of time, all too brief, he was one of us.

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